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Economic Indicators

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A Monthly Report by the Research Division *Dr. Thomas K. Hitch, Senior Vice President* *Shurei Hirozawa, Vice President* *April, 1981*

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Hawaii in 1980—A Recap

In 1980 Hawaii's economy declined somewhat from 1979 levels. Most of the income-generating sectors of the economy had negative results after adjusting for inflation. The big exception was sugar which brightened an otherwise lackluster year.

Personal income figures confirm the flat year experienced by the economy. Preliminary figures show an increase of 11.9 percent over 1979, a gain virtually wiped out by the 11.7 percent climb in the Honolulu Consumer Price Index in 1980. Total personal income components for the fourth quarter have not yet been released, but based on the first three quarters, the picture for the year would have been much worse had it not been for big increases in dividends, interest, and rent, and in transfer payments less unemployment insurance benefits. Wages and salaries and proprietors' income combined, the heart of total personal income, rose only 9 percent.

The biggest setback to the Hawaiian economy last year was in tourism where arrivals fell below the previous year's total for the first time in 31 years. Arrivals last year totaled 3,925,305, down 0.9 percent from 1979. The softening of the Mainland market resulted in a 3.3 percent drop in the westbound flow of traffic which an 8.2 percent increase in eastbound arrivals couldn't overcome. The Mainland recession and steeply higher air fares caused a general slowdown in travel nationally, especially for long trips such as to Hawaii. Organized group travel to Hawaii was down 18.8 percent last year, which was partly countered by a 23.6 percent gain in the numbers attending meetings and conventions in Hawaii.

The Neighbor Islands were hardest hit with each island recording appreciably fewer visitors than in 1979. Their greater dependence on westbound visitors and higher interisland air fares were the two factors largely responsible. Big Island arrivals nose-dived 11.6 percent following a 5.6 percent decline in 1979. Kauai saw its arrivals drop 5.3 percent, while Maui County was least affected with a 2.9 percent decrease.

Hotel occupancy rates dropped in all counties, with fewer visitors and more hotel rooms. The visitor plant increased by 320 units (5.4 percent) on the Big Island, 600 units (14.6 percent) on Kauai, 913 units (9.5 percent) in Maui County, and 2,085 (6.5 percent) on Oahu.

Sugar, the bright spot on Hawaii's economic scene in 1980, enjoyed a good market. Raw sugar prices climbed steadily and stayed on a high plateau for most of the year as world production fell below consumption for the first time in six years. The industry reported gross revenues of $631 million, including $27 million from sales of molasses. Sugar prices on the New York spot market ranged from a low of 17.51 cents a pound on January 3 to a high of 44.71 cents a pound on November 5. Hawaii's plantations received an average of approximately 29.5 cents a pound for their sugar compared with 14.6 cents in 1979. The average price for molasses was a record $86 a ton, up from $70 in 1979. Although revenues rose handsomely, the cost of production also rose steeply to $379 a ton, compared with $297 a ton in 1979.

Hawaii production was down slightly—the 1980 harvest declined 3.4 percent to 1,023,232 tons of raw sugar. Severe winter storms early in the year delayed start-up of harvesting, and several plantations were not able to bring in their entire crop before the end of the year.

Construction showed a mixed picture last year, but the total value of completed projects excluding inflation is expected to come in a few percentage points ahead of 1979. Final figures will not be available for several months. Single-family home construction and public works contracts were down sharply in all counties, but numerous condominium, hotel, and other commercial and industrial projects cushioned the industry. Construction cost increases averaging 9.8 percent were held in check by a soft industry both locally and nationally. We estimate that the value of construction put in place will be over $1.5 billion compared with $1.3 billion in 1979.

Military spending in Hawaii totaled $1.34 billion in 1980, up 7.8 percent over 1979, but a loss in real terms after discounting for inflation.

The pineapple industry continued to operate profitably, but there were no real gains in 1980. The strongest foreign competition in almost a decade kept the lid on prices even though the cost of production went up significantly in 1980 for the state's producers. We estimate that total revenues for the industry reached $213 million, up from $208 million in 1979. Fresh pineapple shipments reached 200 million pounds for the first time.

Receipts for diversified agriculture rose approximately 10 percent to some $169 million in 1980, paced by a 23.1 percent gain for macadamia nut receipts, which reached $20.7 million. Receipts were also significantly higher for anthuriums, potted foliage, hogs, and broilers.

In spite of the generally mediocre year the employment picture was good. The total number of jobs in the state grew by almost 10,000 to 444,350 last year for a 2.3 percent gain. The civilian labor force grew by a scant thousand, pushing the rate of unemployment to a low 5 percent for the state last year.

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business activity-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	February	312,861p	1.4	2.4
	number	Jan.-Feb.	621,508p	.....	−3.2
Westbound	number	February	247,140p	5.4	−1.6
	number	Jan.-Feb.	481,594p	.....	−3.9
Eastbound	number	February	65,721p	−11.4	21.1
	number	Jan.-Feb.	139,914p	.....	−0.5
AVERAGE DAILY VISITOR CENSUS[1]	number	February	97,973p	12.6	1.9
AVERAGE LENGTH OF STAY	no. of days	February	11.1	−3.5	0
VISITOR ARRIVALS	number	January	21,921	.....	−31.7
ORGANIZED GROUP TOURS	number	February	62,044p	16.3	−10.7
NEIGHBOR ISLAND VISITORS					
Maui	number	February	118,102p	0.5	−1.5
	number	Jan.-Feb.	235,577p	.....	−0.2
Hawaii	number	February	59,817p	13.1	−14.2
	number	Jan.-Feb.	112,712p	.....	−18.0
Kauai	number	February	61,190p	12.8	−6.5
	number	Jan.-Feb.	115,459p	.....	−6.6
VISITOR ACCOMMODATIONS					
STATE	number	February	56,769	1.9	4.7
O'ahu	number	February	33,967	−0.6	−1.1
Kauai	number	February	29,473	−2.7	−3.2
Maui (includes 10 on Lana'i)	number	February	10,724	7.6	17.3
Molokai	number	February	635	13.8	14.0
Hawaii	number	February	6,705	6.4	13.9
Kauai	number	February	4,738	0.7	9.6
HOTEL OCCUPANCY					
STATE	percent	January	77.7	20.8	−2.3
O'ahu	percent	February	84.5	19.2	1.7
Maui	percent	February	81.5	30.2	−8.0
Hawaii	percent	February	61.0	26.0	−8.5
Kauai	percent	February	66.6	9.0	−14.6
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. $	4th Qtr.	337.0	−1.7	8.4
Military Payroll	mil. $	4th Qtr.	144.6	9.8	10.0
Civilian Payroll	mil. $	4th Qtr.	111.8	−1.6	20.5
Local Purchases	mil. $	4th Qtr.	80.6	−17.2	−7.0
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan.-Feb. 28	40,937	.....	45.0
N.Y. RAW SUGAR PRICE	$ ton	February	524.95	−11.2	5.1
PINEAPPLE SHIPMENTS					
CANNED	thous. $	Jan.-Aug. '80	126.5	.....	11.3
FRESH	thous. lbs	February	16,292	−6.3	1.8
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers' Revised, All Items	1967=100	February[3]	243.5	2.7	10.0
All Urban Consumers, All Items	1967=100	February[3]	243.3	3.0	10.1
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	February	514.2	−9.3	−1.4
GAS SALES	thous. therms	February	4,403	2.1	−6.5
TELEPHONES IN SERVICE	thous.	February	716.8	0.2	3.6

p=preliminary.
[1]Estimated Westbound.
[2]Gross taxable income valued at time of shipment.
[3]Compared to December 1980.

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The inordinately large drop in unemployment insurance benefits of 31.3% in February when the weekly average of numbers of persons collecting dropped considerably less (11.5%) is a reflection of two things—first of all the shorter month, and secondly the discontinuance on Jan. 24 of the extended benefits program. The extended benefits program provides up to 13 weeks of benefits beyond the regular 26-week program and is triggered on and off based on unemployment rate levels of the insured unemployed.

Hotel Occupancies

In February, usually Hawaii's best occupancy rate month, hotel occupancy statewide averaged 77.7%. While the February rate was a vast improvement over January's 64.3%, it fell short of February 1980's 79.5%, and far short of the 90% levels typical for February, at least in the past. However, with the downturn in tourism last year and an expansion of 4,000 rooms in the hotel inventory, occupancies have plunged to their lowest levels in 10 years.

Prices have weakened along with the softness in the industry. Last year, the excess inventory resulted in the smallest increase in room rates since 1974. According to statistics furnished by Pannell, Kerr, & Forster, the average room rate for Hawaii hotels was $55.43 in

business activity-hawaii [cont.]

series	unit	period	number	percent change from preceding period	percent change year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. $	Aug. '80	157.0	28.5	70.4
	mil. $	Jan.-Aug. '80	1,069.0	.....	23.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. $	Jan.-Dec. '80	736,382	.....	25.1
C&C of Honolulu	thous. $	Jan.-Feb.	28,294	.....	−26.9
Maui County	thous. $	Jan.-Dec. '80	214,967	.....	99.3
Hawaii County	thous. $	Jan.-Feb.	9,825	.....	−26.0
Kauai County	thous. $	Jan.-Feb.	7,042	.....	−50.0
SINGLE FAMILY UNITS					
STATE	number	Jan.-Dec. '80	3,974	.....	−33.4
C&C of Honolulu	number	Jan.-Feb.	182	.....	−41.7
Maui County	number	Jan.-Dec. '80	806	.....	−20.2
Hawaii County	number	Jan.-Feb.	184	.....	−12.4
Kauai County	number	Jan.-Feb.	68	.....	0
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-Dec. '80	6,677	.....	35.2
C&C of Honolulu	number	Jan.-Feb.	159	.....	−54.9
Maui County	number	Jan.-Dec. '80	1,802	.....	64.1
Hawaii County	number	Jan.-Feb.	24	.....	−70.4
Kauai County	number	Jan.-Feb.	4	.....	−97.5
NONRESIDENTIAL					
STATE	thous. $	Jan.-Dec. '80	480,705	.....	65.6
C&C of Honolulu	thous. $	Jan.-Feb.	46,111	.....	24.6
Maui County	thous. $	Jan.-Dec. '80	38,591	.....	0
Hawaii County	thous. $	Jan.-Feb.	38,489	.....	64.8
Kauai County	thous. $	Jan.-Feb.	3,508	.....	−76.1
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. $	Jan.-Mar.	109,046	.....	160.6
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. $	Jan.-Mar.	20,662	.....	78.9
STATE	thous. $	Jan.-Mar.	74,177	.....	274.2
COUNTY	thous. $	Jan.-Mar.	14,206	.....	35.7
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. $	Jan.-Mar.	97,009	.....	182.2
Maui County	thous. $	Jan.-Mar.	334	.....	−73.0
Hawaii County	thous. $	Jan.-Mar.	4,574	.....	−16.8
Kauai County	thous. $	Jan.-Mar.	7,129	.....	870.1
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967=100	March	288.4	0.3	0.7
HIGH RISE	1967=100	March	304.4	1.9	5.8
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. $	August 1980	1,857.0	28.4	43.5
	mil. $	Jan.-Aug. 1980	12,838.5	.....	13.0
DIVERSIFIED MANUFACTURING	mil. $	August 1980	66.6	24.4	56.8
	mil. $	Jan.-Aug. 1980	433.0	.....	17.9
DIVERSIFIED AGRICULTURE	mil. $	August 1980	10.5	10.3	26.1
	mil. $	Jan.-Aug. 1980	84.6	.....	−18.3
RETAILING	mil. $	August 1980	592.8	28.2	54.4
	mil. $	Jan.-Aug. 1980	4,316.5	.....	13.9
WHOLESALING	mil. $	August 1980	452.0	23.3	6.6
	mil. $	Jan.-Aug. 1980	3,158.6	.....	−1.0
SERVICES	mil. $	August 1980	362.3	23.4	58.1
	mil. $	Jan.-Aug. 1980	2,567.1	.....	15.8
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	January	3,107	19.1	−17.6

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Job Situation in Hawaii

Recently we saw a sign in a hardware store out on North King Street which read, "End unemployment. Go to work." As economists, we know that among the unemployed of the country there are several million people who still have the puritan work ethic and who simply cannot find a job. But as long-time students of the labor market, we also know that there are very large numbers of people who, if they were imbued with a little of the old puritan work ethic, could either find a job or make a job for themselves.

Whether the hardware store's comment was inspired by President Reagan or not, the President did start a national dialogue when he observed that he couldn't understand why people complain about jobs when thousands are listed in the newspapers, like the 45 pages of help wanted ads he saw in a Sunday *New York Times*. One response has been that advertised jobs are mainly for those already in the labor market who are looking for advancement to higher-rated positions, and that few openings are available for those with little experience—youth, for example.

Reports from the Bureau of Labor Statistics have regularly shown over the past decade that nationally youth indeed have had difficulty in finding employment, and their rate of unemployment has been much higher than for the labor force as a whole, and much worse for minority youth.

However, the situation has been different in Hawaii, where we enjoyed a close to full employment level last year when the unemployment rate dropped to a ten-year low of 5 percent, compared to the national rate of 7.4 percent.

Unemployment statistics by age groups are not available for Hawaii, but the youth unemployment rate locally is apparently much lower than the national average. The national unemployment rate for youth was 19 percent in January, while the rate for black and other minority youth was 36.5 percent. "Youth Employment in Hawaii: A Policy Document," by the State Commission on Manpower and Full Employment put the unemployment rate for those 16 to 24 in 1976 at 18.5 percent, and for teenagers 16 to 19 in 1975 at 26.5 percent. These high rates were during the two years of highest overall unemployment in Hawaii since the record 11 percent in 1949 and 9.4 percent in 1950. The rate in 1975 was 8.3 percent, and in 1976, 9.8 percent. But the rate since 1976 has dropped steadily to the 5 percent of 1980. This was accomplished by the strong state economy which created 57,000 new jobs in the past four years, mainly in the visitor and other service sectors. The CETA (Comprehensive Employment and Training Act) programs also had a lot to do with training and placing people in jobs. Since this program was initiated in late 1974, 23,900 completed training programs for private sector employment, and an estimated 60 percent of them were placed in jobs, according to State Manpower Commission figures. In addition, thousands of others were trained in the CETA public sector programs, and most of them held jobs in government until this part of the program was terminated this year. Many of the new jobs created in the latter 1970s and the CETA job training were for those with relatively low levels of skills, the reason why so many people, including inexperienced youth, were able to find jobs in recent years. This would lead us to believe that youth unemployment, which was at 18.5 percent in 1976, has declined markedly together with the overall rate.

In checking with most of Honolulu's private employment agencies, we found that most of them estimated that 10 percent of their job listings were for entry-level jobs requiring minimal skills and little experience. The high was 75 percent for an agency which specializes in recruiting people for entry-level jobs. Another agency estimated that 70 percent of its listings were of the entry-level category, and a couple more listed 40 to 45 percent entry-level jobs. Most of the agencies said that there was a great demand for entry-level workers, and that they had no problem placing applicants. Some said that the right attitude about work, neatness, and appearance were deemed more important than the minimal skills for entry-level work because many companies feel people with these qualities can be readily trained.

Within the next 12 months, new hotels will be opening on the Big Island, Maui, and Kauai. Many jobs will be available at the entry level as well as at various levels of skills. The problem here will be lack of available manpower to fill all of the jobs that will open up at the hotels and other businesses that service these hotels. The labor force in Hawaii is more mobile that it was before World War II, but the problems today are housing and transportation. Lack of employee housing in the vicinity has been a big problem for hotels at Kaanapali which have manpower shortages continually. This could be a problem also for the new hotels being built in South Kohala and in Poipu, Kauai. Commuting long distances to work is time-consuming and costly, making the jobs less attractive. Some are just not interested in minimum-wage jobs.

So, in Hawaii, it appears that there are entry-level jobs available now, and there will be more coming up. Difficulties in filling them may include such factors as transportation, housing, and low pay scales, but nonetheless a dose of the old puritan work ethic could go a long way toward getting the unemployed into vacant jobs.

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business activity - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	March	333,068p	6.5	−8.2
	number	Jan.-Mar.	954,576p	.....	−5.0
Westbound	number	March	254,188p	2.9	−12.4
	number	Jan.-Mar.	735,782p	.....	−7.0
Eastbound	number	March	78,880p	20.0	8.5
	number	Jan.-Mar.	218,794p	.....	2.6
AVERAGE DAILY VISITOR CENSUS[1]	number	March	88,325p	−9.7	−8.9
AVERAGE LENGTH OF STAY[1]	no. of days	March	10.7	−3.6	3.9
MEETINGS ATTENDANCE	number	Jan.-Feb.	14,833	.....	−16.7
ORGANIZED GROUP TOURS	number	March	61,392p	−1.1	−17.6
NEIGHBOR ISLAND VISITORS[1]					
Maui	number	March	116,864p	−1.0	−7.9
	number	Jan.-Mar.	352,441p	.....	−2.9
Hawaii	number	March	53,750p	−10.1	−24.1
	number	Jan.-Mar.	166,462p	.....	−20.1
Kauai	number	March	59,326p	−3.0	−16.3
	number	Jan.-Mar.	174,785p	.....	−10.2
VISITOR ACCOMMODATIONS					
STATE	number	February	56,769	1.9	4.7
Oahu	number	February	33,967	−0.6	−1.1
Waikiki	number	February	29,473	−2.7	−3.2
Maui (includes 10 on Lanai)	number	February	10,724	7.6	17.3
Molokai	number	February	635	13.8	14.0
Hawaii	number	February	6,705	6.4	13.9
Kauai	number	February	4,738	0.7	9.6
HOTEL OCCUPANCY					
STATE	percent	March	71.1	−8.5	−8.7
Oahu	percent	March	76.6	−9.3	−3.6
Maui	percent	March	72.8	−10.7	−14.8
Hawaii	percent	March	53.5	−12.3	−14.4
Kauai	percent	March	69.4	4.2	−12.7
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. $	4th Qtr.	337.0	−1.7	8.4
Military Payroll	mil. $	4th Qtr.	144.6	9.8	10.0
Civilian Payroll	mil. $	4th Qtr.	111.8	−1.6	20.5
Local Purchases	mil. $	4th Qtr.	80.6	−17.2	−7.0
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan.-Mar. 28	118,277	.....	72.6
N. Y. RAW SUGAR PRICE	$/ton	March	477.40	−9.1	12.6
PINEAPPLE SHIPMENTS					
CANNED[2]	thous. $	Jan.-Nov. 1980	178.3	.....	13.9
FRESH	thous. lbs.	March	19,061	17.0	5.3
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised), All items	1967=100	February[3]	243.5	2.7	10.0
All Urban Consumers, All items	1967=100	February[3]	243.3	3.0	10.1
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	March	558.5	8.6	1.0
GAS SALES	thous. therms	March	4,220	−4.2	−7.6
TELEPHONES IN SERVICE	thous.	March	717.3	0.1	3.3

p=*preliminary.*
[1]*Estimated Westbound.*
[2]*Gross taxable income valued at time of shipment.*
[3]*Compared to December 1980.*

Deposit Turnover

Turnover of demand deposits, the volume of check writing relative to average account size, jumped 15.5% in March. The volume of check writing is normally bigger in March than in February, primarily because it's a longer month. (It's also the time when car registrations are due and with April 15th around the corner, a time when taxes are being paid.) Total debits for the month increased 14.8% but when expressed on a per day basis the increase shrinks to 3.6%. If there had been proportionately as large an increase in checking account size (demand deposits) as there was in the dollar volume of checks written, then the turnover rate wouldn't have changed. But instead there was a drop of 0.6% in demand deposits reflective of the general trending downward this year of demand deposits as many customers move to convert from regular checking accounts to NOW accounts — interest-bearing checking accounts. NOW accounts are presently being classified as time rather than demand deposits, hence the drop in demand deposits.

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Construction Costs

A follow-up note to last month's comments concerning the weakness of construction materials: lumber prices, after dropping 6.2% in March, fell another notch in April — down 4.9%. They are now 20% below what they were at this time last year.

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business activity - hawaii [cont.]

series	unit	period	number	percent change: from preceding period	percent change: year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. $	November 1980	135.6	24.4	16.5
	mil. $	Jan.-Nov. 1980	1,453.5	.....	18.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. $	Jan.-Dec. 1980	736,382	.....	25.1
C&C of Honolulu	thous. $	Jan.-Mar.	34,642	.....	−32.8
Maui County	thous. $	Jan.-Dec. 1980	214,967	.....	99.3
Hawaii County	thous. $	Jan.-Mar.	13,423	.....	−25.6
Kauai County	thous. $	Jan.-Mar.	12,816	.....	−34.2
SINGLE FAMILY UNITS					
STATE	number	Jan.-Dec. 1980	3,974	.....	−33.4
C&C of Honolulu	number	Jan.-Mar.	226	.....	−52.7
Maui County	number	Jan.-Dec. 1980	806	.....	−20.2
Hawaii County	number	Jan.-Mar.	269	.....	−14.6
Kauai County	number	Jan.-Mar.	101	.....	4.1
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-Dec. 1980	6,677	.....	35.2
C&C of Honolulu	number	Jan.-Mar.	159	.....	−61.4
Maui County	number	Jan.-Dec. 1980	1,802	.....	64.1
Hawaii County	number	Jan.-Mar.	24	.....	−71.1
Kauai County	number	Jan.-Mar.	82	.....	−65.0
NONRESIDENTIAL					
STATE	thous. $	Jan.-Dec. 1980	480,705	.....	65.6
C&C of Honolulu	thous. $	Jan.-Mar.	58,554	.....	1.4
Maui County	thous. $	Jan.-Dec. 1980	38,591	.....	0
Hawaii County	thous. $	Jan.-Mar.	40,421	.....	63.5
Kauai County	thous. $	Jan.-Mar.	4,332	.....	−70.9
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. $	Jan.-Apr.	116,766	.....	129.3
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. $	Jan.-Apr.	24,769	.....	62.5
STATE	thous. $	Jan.-Apr.	77,013	.....	232.1
COUNTY	thous. $	Jan.-Apr.	14,984	.....	19.9
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. $	Jan.-Apr.	103,499	.....	146.1
Maui County	thous. $	Jan.-Apr.	369	.....	−85.4
Hawaii County	thous. $	Jan.-Apr.	4,885	.....	−11.7
Kauai County	thous. $	Jan.-Apr.	8,012	.....	892.5
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967=100	April	285.8	−1.0	1.9
HIGH-RISE	1967=100	April	304.1	−0.2	6.6
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. $	November 1980	1,622.6	12.9	21.0
	mil. $	Jan.-Nov. 1980	17,560.9	.....	11.2
DIVERSIFIED MANUFACTURING	mil. $	November 1980	48.8	17.9	27.2
	mil. $	Jan.-Nov. 1980	576.7	.....	10.0
DIVERSIFIED AGRICULTURE	mil. $	November 1980	9.4	−43.0	7.9
	mil. $	Jan.-Nov. 1980	126.8	.....	−9.0
RETAILING	mil. $	November 1980	560.2	14.0	23.3
	mil. $	Jan.-Nov. 1980	5,902.1	.....	12.0
WHOLESALING	mil. $	November 1980	444.0	19.4	5.6
	mil. $	Jan.-Nov. 1980	4,364.8	.....	−2.6
SERVICES	mil. $	November 1980	283.7	9.4	23.7
	mil. $	Jan.-Nov. 1980	3,478.3	.....	15.8
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	February	3,134p	0.9	3.8

finance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
BANKING					
TOTAL BANK DEPOSITS					
STATE	mil. $	March 31	4,318.8	0.5	6.7
Honolulu County	mil. $	March 31	3,519.0	0.2	6.0
Maui County	mil. $	March 31	284.7	2.0	6.0
Hawaii County	mil. $	March 31	357.0	1.5	12.9
Kauai County	mil. $	March 31	158.1	2.2	12.2
BANK DEMAND DEPOSITS					
STATE	mil. $	March 31	1,183.4	1.2	−6.7
Honolulu County	mil. $	March 31	996.7	1.4	−5.6
Maui County	mil. $	March 31	76.9	0.8	−16.2
Hawaii County	mil. $	March 31	79.6	−0.7	−7.5
Kauai County	mil. $	March 31	30.2	−1.0	−13.2
DEBITS TO DEMAND DEPOSITS					
STATE	mil. $	March	7,793.5	14.8	11.1
Honolulu County	mil. $	March	7,187.5	15.4	11.9
Maui County	mil. $	March	258.3	2.3	0.8
Hawaii County	mil. $	March	253.6	10.6	4.8
Kauai County	mil. $	March	94.1	15.9	0.4
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	March	79.49	15.5	19.3
Honolulu County	annual rate	March	87.14	15.9	19.1
Maui County	annual rate	March	40.47	5.1	17.5
Hawaii County	annual rate	March	38.12	12.7	13.3
Kauai County	annual rate	March	37.19	13.9	12.9
TAX COLLECTIONS					
TAX COLLECTIONS—STATE	thous. $	March	119,275	−29.4	10.0
	thous. $	Jan.-Mar.	372,567	.....	4.4
Honolulu County	thous. $	March	102,047	−28.5	10.2
	thous. $	Jan.-Mar.	316,841	.....	3.6
Maui County	thous. $	March	7,949	−1.8	40.9
	thous. $	Jan.-Mar.	21,030	.....	16.4
Hawaii County	thous. $	March	7,381	−38.1	−5.9
	thous. $	Jan.-Mar.	24,377	.....	5.8
Kauai County	thous. $	March	1,897	−70.0	−19.6
	thous. $	Jan.-Mar.	10,319	.....	3.8

employment and unemployment-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
STATE					
Civilian Labor Force	thous.	March	405.4p	0.6	0.8
Employment	thous.	March	383.9p	0.4	0.2
Unemployment	thous.	March	21.5p	5.1	12.0
Unemployment Rate	percent	March	5.3p	3.9	10.4
C & C OF HONOLULU					
Civilian Labor Force	thous.	March	318.7p	0.7	0.9
Employment	thous.	March	302.9p	0.4	0.4
Unemployment	thous.	March	15.8p	6.0	10.5
Unemployment Rate	percent	March	5.0p	6.4	11.1
MAUI COUNTY					
Civilian Labor Force	thous.	March	33.2p	1.2	0
Employment	thous.	March	31.3p	1.8	−0.8
Unemployment	thous.	March	2.0p	−4.9	14.7
Unemployment Rate	percent	March	5.9p	−6.3	18.0
HAWAII COUNTY					
Civilian Labor Force	thous.	March	36.0p	0	1.4
Employment	thous.	March	33.4p	−0.1	0.8
Unemployment	thous.	March	2.7p	5.9	8.0
Unemployment Rate	percent	March	7.5p	5.6	7.1
KAUAI COUNTY					
Civilian Labor Force	thous.	March	17.5p	−0.8	−1.1
Employment	thous.	March	16.5p	−1.8	−2.7
Unemployment	thous.	March	1.1p	16.7	31.3
Unemployment Rate	percent	March	5.9p	13.5	37.2
JOB COUNT BY INDUSTRY					
TOTAL JOBS: STATE*	thous.	March	444.5p	0.5	−0.6
SUGAR (mill and field)*	thous.	March	8.9p	−1.7	1.7
PINEAPPLE (cannery and field)*	thous.	March	4.1p	24.2	−18.8
DIVERSIFIED MANUFACTURING (excluding sugar and pineapple)	thous.	March	15.9p	−1.9	−1.6
Durable Goods	thous.	March	4.3p	−2.3	−4.4
Non-Durable Goods	thous.	March	11.6p	−2.1	−0.4
Apparel and Textiles	thous.	March	3.1p	0	−6.2
DIVERSIFIED AGRICULTURE[1] (excluding sugar and pineapple, but including agricultural self-employed)	thous.	January 11-17[2]	7.4	0	−1.3
CONTRACT CONSTRUCTION	thous.	March	24.5p	0.2	−2.2
TRANSPORTATION	thous.	March	20.9p	−1.2	−2.1
COMMUNICATION	thous.	March	7.3p	0.7	4.3
UTILITIES	thous.	March	2.7p	0	3.9
RETAIL TRADE	thous.	March	85.9p	0.5	−0.5
WHOLESALE TRADE	thous.	March	17.8p	−0.6	−4.8
FINANCE, INSURANCE AND REAL ESTATE	thous.	March	34.3p	1.0	2.5
HOTEL SERVICES: STATE	thous.	March	24.7p	0.8	−1.4
Honolulu County	thous.	March	14.8p	−0.3	−6.9
Maui County	thous.	March	5.1p	4.1	18.6
Hawaii County	thous.	March	3.1p	0	0
Kauai County	thous.	March	1.7p	0	3.1
OTHER SERVICES	thous.	March	75.5p	−0.7	2.9
FEDERAL GOVERNMENT	thous.	March	29.9p	0.2	0.8
Civilian Agencies	thous.	March	10.8p	0	−1.4
Defense Department	thous.	March	19.1p	0.3	2.1
STATE GOVERNMENT	thous.	March	48.0p	2.7	−1.6
COUNTY GOVERNMENT	thous.	March	12.7p	−0.8	−6.6
HOURS AND EARNINGS BY INDUSTRY					
CONTRACT CONSTRUCTION					
Average Hourly Earnings	dollars	March	13.06p	2.7	11.4
Average Weekly Hours	hours	March	39.3p	3.1	2.6
MANUFACTURING					
Average Hourly Earnings	dollars	March	7.56p	−0.5	7.5
Average Weekly Hours	hours	March	39.9p	1.0	6.7
COMMUNICATION AND UTILITIES					
Average Hourly Earnings	dollars	March	9.60p	1.8	6.5
Average Weekly Hours	hours	March	42.8p	−5.1	−5.3
TRADE					
Average Hourly Earnings	dollars	March	5.94p	0.2	7.2
Average Weekly Hours	hours	March	32.6p	0	−1.5
FINANCE					
Average Weekly Earnings	dollars	March	222.19p	4.4	16.9
HOTELS					
Average Hourly Earnings	dollars	March	5.67p	−0.9	3.3
Average Weekly Hours	hours	March	32.5p	−2.7	9.1
HIRED FARM WORKERS[3]					
Average Hourly Earnings	dollars	January	5.85	0.3	11.9
Average Weekly Hours	hours	January	38.8	−0.5	16.9

p=preliminary
[1]Series includes agricultural employment during January survey week.
[2]Agricultural jobs are excluded in the total job count even though the period differs. Agricultural employment is surveyed only four times a year, in January, April, July, and October. These dates also apply to the field portions of sugar and pineapple jobs.
[3]Includes some office and supervisory workers.

Construction Activity

Building permit figures this year signal further wind down of the private building sector as the setback in tourism and high interest rates take their toll. Not counting Maui County for which 1981 figures aren't yet available, authorizations for single-family home construction dropped 33% in the first quarter relative to first quarter 1979, mirroring the 33% decline recorded for all of last year. Condo (multi-family) construction which continued strong last year, increasing 35% in the numbers of units authorized, has begun to show the ill effects of the economy with 64% fewer units authorized in the first quarter of 1981 compared to the year-earlier period. Even non-residential construction — of hotels, office buildings, etc. — which went a long way in shoring up the industry last year, increasing 65.6% in dollar terms, slowed dramatically this year. The first quarter reflected essentially no growth, a gain of 6.2%, about even with inflation, although the picture between counties was quite varied. Oahu was almost flat. Hawaii forged ahead 63.5%, boosted by a $36 mil. permit for a hotel to be built at the Mauna Lani Resort in South Kohala. Kauai, on the other hand, plunged 70.9% compared to an inflated first quarter last year that contained a permit for Amfac's Waiohai Hotel at Poipu.

While private construction is on the wane,

public assistance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT (weekly average)	number	March	11,197	−3.2	13.9
INTRASTATE INITIAL CLAIMS	number	March	5,823	25.1	−1.8
INTERSTATE INITIAL CLAIMS	number	March	405	17.4	0.7
UNEMPLOYMENT INSURANCE BENEFITS	thous. $	March	4,912	3.3	40.0
PUBLIC ASSISTANCE					
RECIPIENTS[1]					
Income Maintenance	no./persons	March	71,786	0.5	1.5
Services	no./cases	1st Qtr. 1981	12,829	3.0	−1.9
Medical	no./patients	March	53,988	2.9	4.5
Food Stamps	no./persons	March	103,431	0.8	0.8
PAYMENTS					
Income Maintenance	thous. $	March	9,536	0.4	3.7
Services	thous. $	1st Qtr. 1981	5,135	2.6	26.2
Medical	thous. $	March	10,867	8.5	10.5
Food Stamps	thous. $	March	6,030	1.0	18.9

[1]Count of recipients is duplicated. A person may be counted in each category.

population, personal income-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
POPULATION					
DE FACTO—STATE	number	April 1, 1980	1,056,900p	.....	n.c.
TOTAL RESIDENT—STATE	number	April 1, 1980	965,000 r	.....	n.c.
C & C of Honolulu	number	April 1, 1980	762,874 r	.....	n.c.
Maui County	number	April 1, 1980	70,991 r	.....	n.c.
Hawaii County	number	April 1, 1980	92,053 r	.....	n.c.
Kauai County	number	April 1, 1980	39,082 r	.....	n.c.
CIVILIAN RESIDENT—STATE	number	April 1, 1980	903,605p	.....	n.c.
MILITARY PERSONNEL—STATE	number	April 1, 1980	61,019p	.....	5.4*
Ashore	number	April 1, 1980	48,813p	.....	8.7*
Afloat	number	April 1, 1980	12,206p	.....	−5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1, 1980	64,023p	.....	−0.8*
FOREIGN IMMIGRATION[1]	number	12 mo. total ending April '81	6,212	.....	1.7
PERSONAL INCOME					
TOTAL PERSONAL INCOME**	mil. $	4th Qtr. 1980	9,849	3.9	13.1
Employment Income[2]	mil. $	4th Qtr. 1980	7,559	4.4	11.1
Manufacturing	mil. $	4th Qtr. 1980	445	5.7	16.5
Construction & Mining	mil. $	4th Qtr. 1980	615	22.3	14.5
Wholesale	mil. $	4th Qtr. 1980	332	0.3	4.7
Retail	mil. $	4th Qtr. 1980	874	0.1	7.5
Finance, Ins. & Real Estate	mil. $	4th Qtr. 1980	625	8.5	13.4
Trans., Comm., & Util.	mil. $	4th Qtr. 1980	738	5.6	12.2
Services	mil. $	4th Qtr. 1980	1,486	−1.4	7.5
Farm & Other	mil. $	4th Qtr. 1980	252	2.0	4.6
Federal Civilian	mil. $	4th Qtr. 1980	653	2.7	7.9
Federal Military	mil. $	4th Qtr. 1980	709	11.1	19.2
State & Local	mil. $	4th Qtr. 1980	829	2.5	15.1
Property Income					
(Dividends, Interest, Rent)	mil. $	4th Qtr. 1980	1,423	2.4	16.4
Transfer Payments (1,315) minus Personal Contributions For Social Ins. (448)	mil. $	4th Qtr. 1980	867	2.2	26.6
PER CAPITA PERSONAL INCOME					
STATE PER CAPITA	dollars	1980	9,787	.....	6.1
PER CAPITA BY COUNTY					
C & C of Honolulu	dollars	1979	9,573	.....	9.5
Maui County	dollars	1978	7,676	.....	10.3
Hawaii County	dollars	1978	6,687	.....	9.2
Kauai County	dollars	1978	7,044	.....	10.0

p=preliminary
r=revised
n.c.=not comparable
*Compared to July 1, 1979.
**Total personal income and all components are seasonally adjusted at annual rates.
[1]These immigration statistics include only those entering Honolulu ports and do not include status changes.
[2]Includes wage and salary disbursements, proprietors' income, and other labor income.

u. s. economic indicators

series	unit	period	number	percent change from preceding period	percent change year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF 12 LEADING INDICATORS*[1]	1967=100	February	135.2	−0.7	0.8
GROSS NATIONAL PRODUCT**					
In Current Dollars	bil. $	1st Qtr. 1981	2,826.8	3.5	9.9
In 1972 Dollars	bil. $	1st Qtr. 1981	1,509.2	1.6	0.5
PERSONAL INCOME**	bil. $	March	2,334.9	0.8	11.1
RETAIL SALES*	bil. $	March	86,943	0.1	12.0
INDUSTRIAL PRODUCTION*	1967=100	March	151.7p	0.4	−0.3
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil. $	March	45,211.3	4.1	24.7
TURNOVER OF DEMAND DEPOSITS**	annual rate	March	176.9	4.9	36.4
BANK LOANS*	bil. $	March	929.0e	−0.1	5.9
AVERAGE PRIME RATE CHARGED BY BANKS	percent	April	17.15	−5.0	−13.3
CONSUMER INSTALLMENT DEBT*	mil. $	January	307,343	0.3	0.3
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil. $	February	252.5	−3.6	1.5
CONSTRUCTION COST INDEXES					
Residences	1967=100	November 1980	279.1	1.4	5.0
Apts. Hotel, Office Bldgs.	1967=100	November 1980	282.1	0.7	9.7
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous.	March	98,412	0.5	0.8
UNEMPLOYMENT*	thous.	March	7,764	0.1	18.7
UNEMPLOYMENT RATE*	percent	March	7.3	0	15.9
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	March	265.2	0.6	10.5
All Urban Consumers	1967=100	March	265.1	0.7	10.6
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	March	265.2	1.3	10.5
All Commodities	1967=100	March	289.6	0.9	10.6

e=estimated. *Seasonally adjusted.
r=revised. **Seasonally adjusted annual rate.
p=preliminary.
[1]Excludes one indicator series for which data are not yet available.

the public sector has taken an about face to more than fill the void. Through April, the dollar volume of government contracts was 129.3% ahead of the year-earlier period. State projects have experienced the biggest gain which can be traced to several large projects: 1) $29.1 mil. for the H-1 interchange at Puuloa, 2) $27.7 mil. for a new State Judiciary Complex at Alakea and Hotel streets, and 3) $5.7 mil. for a new runway at Lihue Airport.

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Per Capita Income

Dismal news for Hawaii residents: According to a report recently released by the U.S. Department of Commerce, Hawaii's per capita personal income grew less over the past decade than anywhere else in the nation. The increase for Hawaii was 112.8%, 21% below the average increase nationally of 142.9%. In 1970 Hawaii's per capita income exceeded the U.S. average by 18%. Over the ensuing decade, Hawaii's lead was eroded to the point that in 1980 it stood only 3% ahead of the average nationally.

Particularly disheartening about the news for Hawaii is that 10 years ago an 18% higher per capita income went a long way to make up for Hawaii's 20% higher cost of living, but in 1980, with costs here still 20% higher, 3% higher per capita income means 17% less buying power for Hawaii residents than for Mainlanders.

First Hawaiian Bank Established 1858 Member FDIC

Economic Indicators

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A Monthly Report by the Research Division *Dr. Thomas K. Hitch, Senior Vice President* *Shurei Hirozawa, Vice President* *June, 1981*

Public Sector Compensation

The furor that has erupted since the failure of the Legislature to adjust salaries of top State executives has brought to the surface a difficult problem that has been brewing for a decade. The ferment has come to a head now because many subordinates are making more than their superiors, and the situation is getting out of hand. It was unfortunate that the Legislature ran out of time to find a solution. Even a band-aid solution would have been preferable to buy time for a more comprehensive overhaul of the public compensation issue. What is needed is a major review of both the State and county systems.

The 1970 Legislature passed the public employee collective bargaining law, implementing a mandate of the 1968 Constitutional Convention. Thirteen separate bargaining units were established for State and county employees, the first contracts were negotiated in 1972, and the Legislature funded the pay raises agreed upon in initial collective bargaining, effective in 1973. Even before the two-step pay increases that had been negotiated became fully effective, City Council leaders sounded the alarm that the annual increments provided by the civil service law on top of the negotiated increases would cause the City to be faced with "insurmountable fiscal problems in the very near future." The State's chief labor negotiator at the time, the late Jack Reynolds, was quoted: "Hawaii will need a hefty tax increase or face bankruptcy if it doesn't change the system of salary increases by both collective bargaining and statutory increments." Reynolds' warning was heeded, and the Legislature decided that effective July 1976 public employees would not get annual increments in fiscal years when they received negotiated wage increases.

However, the progression of wage increases that were negotiated confirmed the worst fears of public officials. As early as 1975, a study done at the request of the Legislature showed that six employees of two State departments had higher salaries than the directors of those departments. The Legislature adjusted the salaries of the executives exempted from collective bargaining, and the top public salary—that of the governor—went from $42,000 to $50,000, effective January 1, 1976. All other exempted executive salaries are scaled down from that of the governor's. Department heads are frozen at $42,500, their first deputies at $40,000, and second deputies and other similar level executives at $38,000. By July 1 of this year, three in the State's highest bargaining unit will be paid more than the department director, and ten will be over the second deputy's salary. A year from July 1, all 13 will be making more than the director if no adjustments are made for exempt executives. On the other hand, 33 exempt executives hit the $38,000 ceiling in 1980; the number will increase to 65 by July 1, and if nothing is done about adjustments, there will be 114 exempt executives stuck at the $38,000 ceiling by July 1, 1982.

Similarly, in the Department of Education, 15 subordinates will be making more than their bosses when school begins in September. In fact, all of them will be making more than the Superintendent of Education, who has been frozen at $42,500. Six principals at the highest rating will pass $43,000 in September and a year later, go to $47,353. And nine administrators at DOE headquarters who are in the bargaining unit will pass $46,000 in September, and go beyond $50,000 a year hence. But other education officers in the civil service who are exempted from collective bargaining are frozen at $38,000 even though they outrank principals and bargaining unit administrators.

In the University of Hawaii system, there are 150 executive level positions outside the bargaining unit. They are divided into two classifications—executive and administrative-managerial—with each having ten pay levels. Department heads make 95 percent of the university president's salary, or $42,750. In the executive classification, the top increment of the first step is $41,172, and the top for the remaining nine steps is $42,750—indicating the degree of compression resulting from five years of frozen salaries. Meanwhile, lower-ranked personnel with much less administrative responsibility are getting annual raises through collective bargaining that have put some above the $50,000 level.

Public discussions have been very political, based on opinions on the merits of the governor's and cabinet members' salary level. The fact is that there are many career public administrators in top management positions who are outside collective bargaining, and they are being penalized unfairly.

Some of the administrators who are included in collective bargaining will be in the $50,000 area in the present contract. If they win 10 percent annual increases in a two-year contract in the next bargaining session, their salaries could be beyond $60,000 in 1984. It is this kind of geometric increase applied across the board, not only to the $1,000-a-month man but to the high-paid levels as well, that has left the pay of exempt executives trailing their subordinates. The Legislature approves the negotiated increases without much question, but is reluctant to grant elected officials a fair adjustment.

Compensating all public employees fairly is a very difficult problem compounded by the fact that part negotiates its increases and the remainder depends totally on the will of a legislative body. After ten years of public collective bargaining in Hawaii, inequities in government compensation have become intolerable. The Governor's Committee on Executive Salaries tried at the last session of the Legislature to get some of the most glaring inequities corrected, but its recommendations went unheeded. Let us hope that its key recommendation—that there be established by law a standing, ongoing statewide Compensation Review Commission to examine all aspects of the compensation of public officials and government employees—will be taken seriously by the next session of the Legislature.

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business activity - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	April	307,541p	−7.7	−0.3
	number	Jan.-Apr.	1,262,117p	.....	−3.9
Westbound	number	April	234,246p	−7.8	−0.3
	number	Jan.-Apr.	970,028p	.....	−5.5
Eastbound	number	April	73,295p	−7.1	0.6
	number	Jan.-Apr.	292,089p	.....	1.8
AVERAGE DAILY VISITOR CENSUS[1]	number	April	77,059p	−12.8	−3.6
AVERAGE LENGTH OF STAY[1]	no. of days	April	9.9	−7.5	−2.9
MEETINGS ATTENDANCE	number	March	18,373	23.9	−11.8
ORGANIZED GROUP TOURS	number	April	55,138p	−10.2	−26.4
NEIGHBOR ISLAND VISITORS[1]					
Maui	number	April	104,475p	−10.6	−0.4
	number	Jan.-Apr.	456,916p	.....	−2.1
Hawaii	number	April	47,853p	−11.0	−20.5
	number	Jan.-Apr.	214,315p	.....	−20.2
Kauai	number	April	58,237p	−1.8	−5.7
	number	Jan.-Apr.	233,022p	.....	−9.1
VISITOR ACCOMMODATIONS					
STATE	number	February	56,769	1.9	4.7
Oahu	number	February	33,967	−0.6	−1.1
Waikiki	number	February	29,473	−2.7	−3.2
Maui (includes 10 on Lanai)	number	February	10,724	7.6	17.3
Molokai	number	February	635	13.8	14.0
Hawaii	number	February	6,705	6.4	13.9
Kauai	number	February	4,738	0.7	9.6
HOTEL OCCUPANCY					
STATE	percent	April	63.1	−11.3	−9.3
Oahu	percent	April	70.0	−8.6	−3.7
Maui	percent	April	59.6	−18.1	−17.0
Hawaii	percent	April	45.8	−14.4	−15.8
Kauai	percent	April	65.2	−6.1	−8.2
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. $	4th Qtr. 1980	337.0	−1.7	8.4
Military Payroll	mil. $	4th Qtr. 1980	144.6	9.8	10.0
Civilian Payroll	mil. $	4th Qtr. 1980	111.8	−1.6	20.5
Local Purchases	mil. $	4th Qtr. 1980	80.6	−17.2	−7.0
SUGAR					
SUGAR PRODUCTION	thous. tons.	Jan.-May. 2	239,872	.....	39.5
N. Y. RAW SUGAR PRICE	$/ton	April	399.01	−16.4	−12.1
PINEAPPLE SHIPMENTS					
CANNED[2]	thous. $	Jan.-Nov. 1980	178.3	.....	13.9
FRESH	thous. lbs.	Jan.-Apr.	74,788	.....	12.2
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised), All items	1967=100	April	250.2	2.8	9.5
All Urban Consumers, All items	1967=100	April	250.0	2.8	9.9
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	April	541.0	−3.1	0.9
GAS SALES	thous. therms	April	4,223	0.1	−10.0
TELEPHONES IN SERVICE	thous.	April	718.5	0.2	3.2

p=*preliminary.*
[1]*Estimated Westbound.*
[2]*Gross taxable income valued at time of shipment.*
[3]*Compared to December 1980.*

Job Picture

Trying to get a handle on the Hawaiian employment scene can turn into a hair-tearing exercise at best. There are two main sets of data produced by the State Department of Labor that are used to track employment locally. One deals with employment and unemployment and covers the number of people working, irrespective of how many jobs each worker holds. The other is a count of jobs by industry, wherein a person is counted as many times as the number of jobs he holds. Prior to 1977 these data series used to run pretty much in tandem. Between 1970 and 1976 total employment increased by 51,350 and total jobs by 55,410. But since 1977 when the State Department of Labor adopted a methodology for the employment and unemployment series mandated

business activity - hawaii [cont.]

series	unit	period	number	percent change: from preceding period	percent change: year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. $	November 1980	135.6	24.4	16.5
	mil. $	Jan.-Nov. 1980	1,453.5	.....	18.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. $	Jan.-Dec. 1980	736,624	.....	25.1
C&C of Honolulu	thous. $	Jan.-Apr.	155,895	.....	152.1
Maui County	thous. $	Jan.-Dec. 1980	215,209	.....	99.5
Hawaii County	thous. $	Jan.-Apr.	18,663	.....	−37.8
Kauai County	thous. $	Jan.-Apr.	15,713	.....	−30.3
SINGLE FAMILY UNITS					
STATE	number	Jan.-Dec. 1980	3,971	.....	−33.5
C&C of Honolulu	number	Jan.-Apr.	303	.....	−51.1
Maui County	number	Jan.-Dec. 1980	803	.....	−20.5
Hawaii County	number	Jan.-Apr.	372	.....	−14.1
Kauai County	number	Jan.-Apr.	132	.....	0.8
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-Dec. 1980	6,690	.....	35.5
C&C of Honolulu	number	Jan.-Apr.	1,466	.....	245.8
Maui County	number	Jan.-Dec. 1980	1,815	.....	65.3
Hawaii County	number	Jan.-Apr.	24	.....	−87.9
Kauai County	number	Jan.-Apr.	82	.....	−66.7
NONRESIDENTIAL					
STATE	thous. $	Jan.-Dec. 1980	480,594	.....	65.6
C&C of Honolulu	thous. $	Jan.-Apr.	77,538	.....	−4.9
Maui County	thous. $	Jan.-Dec. 1980	38,480	.....	−0.3
Hawaii County	thous. $	Jan.-Apr.	42,986	.....	69.1
Kauai County	thous. $	Jan.-Apr.	5,786	.....	−61.7
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. $	Jan.-May	127,631	.....	105.0
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. $	Jan.-May	26,874	.....	47.3
STATE	thous. $	Jan.-May	83,773	.....	181.9
COUNTY	thous. $	Jan.-May	16,984	.....	18.7
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. $	Jan.-May	110,227	.....	135.5
Maui County	thous. $	Jan.-May	2,139	.....	−15.5
Hawaii County	thous. $	Jan.-May	5,676	.....	−52.1
Kauai County	thous. $	Jan.-May	9,589	.....	783.3
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967=100	May	285.1p	−0.2	3.4
HIGH-RISE	1967=100	May	303.8p	0.0	6.4
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. $	November 1980	1,622.6	12.9	21.0
	mil. $	Jan.-Nov. 1980	17,560.9	.....	11.2
DIVERSIFIED MANUFACTURING	mil. $	November 1980	48.8	17.9	27.2
	mil. $	Jan.-Nov. 1980	576.7	.....	10.0
DIVERSIFIED AGRICULTURE	mil. $	November 1980	9.4	−43.0	7.9
	mil. $	Jan.-Nov. 1980	126.8	.....	−9.0
RETAILING	mil. $	November 1980	560.2	14.0	23.3
	mil. $	Jan.-Nov. 1980	5,902.1	.....	12.0
WHOLESALING	mil. $	November 1980	444.0	19.4	5.6
	mil. $	Jan.-Nov. 1980	4,364.8	.....	−2.6
SERVICES	mil. $	November 1980	283.7	9.4	23.7
	mil. $	Jan.-Nov. 1980	3,478.3	.....	15.8
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	March	2,807	−10.8	3.4

by the federal government, the two data series parted company. Between 1976 and 1980 total jobs increased by 57,350, whereas the increase in employment was less than half that - 23,000. The following table shows how well the two data sets tracked one another prior to 1977 and the extreme disparity exhibited since then.

	Annual Change: Jobs	Annual Change: Employment	Discrepancy
1971	7,460	7,800	340
1972	10,900	10,600	300
1973	15,100	14,300	800
1974	9,600	7,000	2,600
1975	6,250	5,750	500
1976	6,100	5,900	200
1977	11,600	17,000	5,400
1978	18,900	-5,000	23,900
1979	17,000	5,000	12,000
1980	9,850	6,000	3,850

Despite the lack of correlation between the employment and job series, both show signs of a weakening employment picture this year. Total employment in April was up only 1,500 over April 1980. This is in contrast to average annual increases over the past decade of 7,435. While the employment series shows more people working this

finance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
BANKING					
TOTAL BANK DEPOSITS					
STATE	mil. $	March 31	4,318.8	0.5	6.7
Honolulu County	mil. $	March 31	3,519.0	0.2	6.0
Maui County	mil. $	March 31	284.7	2.0	6.0
Hawaii County	mil. $	March 31	357.0	1.5	12.9
Kauai County	mil. $	March 31	158.1	2.2	12.2
BANK DEMAND DEPOSITS					
STATE	mil. $	March 31	1,183.4	1.2	−6.7
Honolulu County	mil. $	March 31	996.7	1.4	−5.6
Maui County	mil. $	March 31	76.9	0.8	−16.2
Hawaii County	mil. $	March 31	79.6	−0.7	−7.5
Kauai County	mil. $	March 31	30.2	−1.0	−13.2
DEBITS TO DEMAND DEPOSITS					
STATE	mil. $	March	7,793.5	14.8	11.1
Honolulu County	mil. $	March	7,187.5	15.4	11.9
Maui County	mil. $	March	258.3	2.3	0.8
Hawaii County	mil. $	March	253.6	10.6	4.8
Kauai County	mil. $	March	94.1	15.9	0.4
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	March	79.49	15.5	19.3
Honolulu County	annual rate	March	87.14	15.9	19.1
Maui County	annual rate	March	40.47	5.1	17.5
Hawaii County	annual rate	March	38.12	12.7	13.3
Kauai County	annual rate	March	37.19	13.9	12.9
TAX COLLECTIONS					
TAX COLLECTIONS—STATE	thous. $	April	110,004	−7.8	6.3
	thous. $	Jan.-Apr.	482,572	.....	4.8
Honolulu County	thous. $	April	93,451	−8.4	6.8
	thous. $	Jan.-Apr.	410,292	.....	4.3
Maui County	thous. $	April	6,162	−22.5	4.9
	thous. $	Jan.-Apr.	27,193	.....	13.6
Hawaii County	thous. $	April	6,987	−5.3	3.1
	thous. $	Jan.-Apr.	31,364	.....	5.2
Kauai County	thous. $	April	3,404	79.4	2.5
	thous. $	Jan.-Apr.	13,722	.....	3.5

employment and unemployment-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
STATE					
Civilian Labor Force	thous	April	405.6p	0	1.1
Employment	thous	April	384.4p	0.1	0.4
Unemployment	thous	April	21.2p	−1.6	15.3
Unemployment Rate	percent	April	5.2p	−1.9	13.0
C & C OF HONOLULU					
Civilian Labor Force	thous	April	318.4p	−0.1	0.9
Employment	thous	April	303.2p	0.1	0.5
Unemployment	thous	April	15.3p	−3.5	10.1
Unemployment Rate	percent	April	4.8p	−4.0	9.1
MAUI COUNTY					
Civilian Labor Force	thous	April	33.5p	0.8	1.1
Employment	thous	April	31.5p	0.6	−0.5
Unemployment	thous	April	2.0p	2.6	33.3
Unemployment Rate	percent	April	6.0p	1.7	33.3
HAWAII COUNTY					
Civilian Labor Force	thous	April	35.9p	−0.3	2.3
Employment	thous	April	33.1p	−0.7	0.6
Unemployment	thous	April	2.9p	5.6	29.5
Unemployment Rate	percent	April	7.9p	5.3	27.4
KAUAI COUNTY					
Civilian Labor Force	thous	April	17.8p	1.4	0.9
Employment	thous	April	16.7p	1.5	−0.6
Unemployment	thous	April	1.1p	0	31.3
Unemployment Rate	percent	April	6.0p	1.7	30.4
JOB COUNT BY INDUSTRY					
TOTAL JOBS-STATE[1]	thous	April	444.9p	0.1	−0.4
SUGAR (mill and field)[1]	thous	April	9.0p	2.9	4.0
PINEAPPLE (cannery and field)[1]	thous	April	5.3p	28.0	−0.9
DIVERSIFIED MANUFACTURING (excluding sugar and pineapple)	thous	April	16.0p	0.6	−0.6
Durable Goods	thous	April	4.3p	0	−3.4
Non-Durable Goods	thous	April	11.7p	0.9	0
Apparel and Textiles	thous	April	3.0p	−1.6	−3.2
DIVERSIFIED AGRICULTURE[1] (excluding sugar and pineapple, but including agricultural self-employed)	thous	April 12-18[2]	7.9	6.8	12.9
CONTRACT CONSTRUCTION	thous	April	24.1p	−1.4	−2.0
TRANSPORTATION	thous	April	21.0p	0.7	−0.7
COMMUNICATION	thous	April	7.4p	0.7	3.5
UTILITIES	thous	April	2.7p	0	3.9
RETAIL TRADE	thous	April	85.3p	−0.5	−0.9
WHOLESALE TRADE	thous	April	17.7p	−0.3	−5.4
FINANCE, INSURANCE AND PEAL ESTATE	thous	April	34.3p	0	3.2
HOTEL SERVICES-STATE	thous	April	24.1p	−2.4	−5.3
Honolulu County	thous	April	14.6p	−1.4	−7.0
Maui County	thous	April	5.1p	−1.0	−4.1
Hawaii County	thous	April	2.9p	−8.1	−9.5
Kauai County	thous	April	1.6p	−3.0	−5.9
OTHER SERVICES	thous	April	75.7p	0	2.6
FEDERAL GOVERNMENT	thous	April	30.1p	0.8	−1.6
Civilian Agencies	thous	April	11.0p	1.9	−7.6
Defense Department	thous	April	19.2p	0.3	2.1
STATE GOVERNMENT	thous	April	47.9p	−0.2	−2.3
COUNTY GOVERNMENT	thous	April	12.6p	−0.8	−5.3
HOURS AND EARNINGS BY INDUSTRY					
CONTRACT CONSTRUCTION					
Average Hourly Earnings	dollars	April	13.05p	0	11.7
Average Weekly Hours	hours	April	35.7p	−9.2	−8.2
MANUFACTURING					
Average Hourly Earnings	dollars	April	7.50p	−0.8	9.8
Average Weekly Hours	hours	April	39.2p	−1.8	5.9
COMMUNICATION AND UTILITIES					
Average Hourly Earnings	dollars	April	9.56p	−0.4	6.7
Average Weekly Hours	hours	April	43.1p	0.7	−4.9
TRADE					
Average Hourly Earnings	dollars	April	5.96p	0.3	10.4
Average Weekly Hours	hours	April	32.8p	0.6	−1.8
FINANCE					
Average Weekly Earnings	dollars	April	208.80p	−6.0	15.2
HOTELS					
Average Hourly Earnings	dollars	April	5.74p	1.2	2.5
Average Weekly Hours	hours	April	32.2p	−0.9	−9.8
HIRED FARM WORKERS[3,4]					
Average Hourly Earnings	dollars	April 12-18	6.00	2.6	5.3
Average Weekly Hours	hours	April 12-18	38.7	−0.3	−0.5

p=preliminary

[1] *Series includes agricultural employment during April survey week.*

[2] *Agricultural jobs are included in the total job count even though the period differs. Agricultural employment is surveyed only four times a year, in January, April, July, and October. These dates also apply to the field portions of sugar and pineapple jobs.*

[3] *Includes some office and supervisory workers.*

[4] *Like the job count for diversified agriculture, the hours and earnings series for hired farm workers is based on a survey taken once every January, April, July, and October.*

year than last, the job series indicates significant declines. In total there were 1,850 fewer jobs in April 1981 than the year before. The biggest losses were in hotel jobs, down 1,350; government jobs, down 2,400; and wholesaling, down 1,000. Fewer jobs were also recorded in manufacturing, construction, transportation, and retailing. Industries recording the biggest job gains were diversified agriculture, up 1,400 compared to last year when storms inflicted heavy crop damage; finance, insurance and real estate, up 1,050, as countless new positions opened up especially at savings and loans where check writing and consumer loan services are now permitted; and in other services, up 1,900. Federal defense jobs increased by 400, not surprising in light of Washington's determination to strengthen U.S. military capabilities, and small increases were also recorded in the communications and utilities industries. The healthy gain in other services was somewhat perplexing given the weakness evident in the overall job picture; it was not attributable to any one company or type of business, but was spread across the entire industry sector.

Tax Collections

Although no gross business receipts figures are available since last year, collections from the taxes paid on these receipts have increased only 4.0% in the first four months of this year, indicating a considerable contraction in the level of business activity locally, especially when the 10% rate of inflation

public assistance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT (weekly average)	number	April	11,471	2.4	17.5
INTRASTATE INITIAL CLAIMS	number	April	6,366	9.3	10.7
INTERSTATE INITIAL CLAIMS	number	April	315	−22.2	10.8
UNEMPLOYMENT INSURANCE BENEFITS	thous. $	April	4,950	0.8	33.0
PUBLIC ASSISTANCE					
RECIPIENTS[1]					
Income Maintenance	no./persons	April	71,713	−0.1	1.5
Services	no./cases	1st Qtr. 1981	12,829	3.0	−1.9
Medical	no./patients	April	51,265	−5.1	−0.3
Food Stamps	no./persons	April	104,010	0.6	1.2
PAYMENTS					
Income Maintenance	thous. $	April	9,539	0	3.6
Services	thous. $	1st Qtr. 1981	5,135	2.6	26.2
Medical	thous. $	April	9,410	−13.4	14.6
Food Stamps	thous. $	April	6,020	−0.2	18.8

[1] *Count of recipients is duplicated. A person may be counted in each category.*

population, personal income-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
POPULATION					
DE FACTO—STATE	number	April 1, 1980	1,056,900p	.....	n.c.
TOTAL RESIDENT—STATE	number	April 1, 1980	965,000 r	.....	n.c.
C & C of Honolulu	number	April 1, 1980	762,874 r	.....	n.c.
Maui County	number	April 1, 1980	70,991 r	.....	n.c.
Hawaii County	number	April 1, 1980	92,053 r	.....	n.c.
Kauai County	number	April 1, 1980	39,082 r	.....	n.c.
CIVILIAN RESIDENT—STATE	number	April 1, 1980	903,605p	.....	n.c.
MILITARY PERSONNEL—STATE	number	April 1, 1980	61,019p	.....	5.4*
Ashore	number	April 1, 1980	48,813p	.....	8.7*
Afloat	number	April 1, 1980	12,206p	.....	−5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1, 1980	64,023p	.....	−0.8*
FOREIGN IMMIGRATION[1]	number	12 mo. total ending May '81	6,256	.....	5.4
PERSONAL INCOME					
TOTAL PERSONAL INCOME**	mil. $	4th Qtr. 1980	9,849	3.9	13.1
Employment Income[2]	mil. $	4th Qtr. 1980	7,559	4.4	11.1
Manufacturing	mil. $	4th Qtr. 1980	445	5.7	16.5
Construction & Mining	mil. $	4th Qtr. 1980	615	22.3	14.5
Wholesale	mil. $	4th Qtr. 1980	332	0.3	4.7
Retail	mil. $	4th Qtr. 1980	874	0.1	7.5
Finance, Ins. & Real Estate	mil. $	4th Qtr. 1980	625	8.5	13.4
Trans., Comm., & Util.	mil. $	4th Qtr. 1980	738	5.6	12.2
Services	mil. $	4th Qtr. 1980	1,486	−1.4	7.5
Farm & Other	mil. $	4th Qtr. 1980	252	2.0	4.6
Federal Civilian	mil. $	4th Qtr. 1980	653	2.7	7.9
Federal Military	mil. $	4th Qtr. 1980	709	11.1	19.2
State & Local	mil. $	4th Qtr. 1980	829	2.5	15.1
Property Income (Dividends, Interest, Rent)	mil. $	4th Qtr. 1980	1,423	2.4	16.4
Transfer Payments (1,315) minus Personal Contributions For Social Ins. (448)	mil. $	4th Qtr. 1980	867	2.2	26.6
PER CAPITA PERSONAL INCOME					
STATE PER CAPITA	dollars	1980	9,787	.....	6.1
PER CAPITA BY COUNTY					
C & C of Honolulu	dollars	1979	9,573	.....	9.5
Maui County	dollars	1979	8,399	.....	10.3
Hawaii County	dollars	1979	7,760	.....	8.7
Kauai County	dollars	1979	7,762	.....	8.6

p=preliminary
r=revised
n.c.=not comparable
**Compared to July 1, 1979.*
***Total personal income and all components are seasonally adjusted at annual rates.*
[1] *These immigration statistics include only those entering Honolulu ports and do not include status changes.*
[2] *Includes wage and salary disbursements, proprietors' income, and other labor income.*

u.s. economic indicators

series	unit	period	number	percent change from preceding period	percent change year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF 12 LEADING INDICATORS*[1]	1967=100	March	137.8	1.8	4.8
GROSS NATIONAL PRODUCT**					
In Current Dollars	bil. $	1st Qtr. 1981	2,853.8r	4.5	11.0
In 1972 Dollars	bil. $	1st Qtr. 1981	1,516.0r	2.0	0.9
PERSONAL INCOME**	bil. $	April	2,351.1p	0.6	11.8
RETAIL SALES*	mil. $	April	86,309	−1.0	13.0
INDUSTRIAL PRODUCTION*	1967=100	April	152.8	0.4	−3.0
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil. $	April	44,120.4	−2.4	26.8
TURNOVER OF DEMAND DEPOSITS**	annual rate	April	171.8	−2.9	35.9
BANK LOANS*	bil. $	April	934.2	0.5	6.8
AVERAGE PRIME RATE CHARGED BY BANKS	percent	May	19.61	14.3	18.3
CONSUMER INSTALLMENT DEBT*	mil. $	March	313,420p	0.7	1.8
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil. $	April	244.6p	−2.7	8.3
CONSTRUCTION COST INDEXES					
Residences	1967=100	April	194.9	1.2	6.7
Apts, Hotel, Office Bldgs	1967=100	April	197.1	1.2	9.6
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous.	April	98,976	0.6	1.8
UNEMPLOYMENT*	thous.	April	7,746	−0.2	7.6
UNEMPLOYMENT RATE*	percent	April	7.3	0	5.8
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	April	266.8	0.6	10.0
All Urban Consumers	1967=100	April	266.8	0.6	10.0
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	April	267.3	0.8	10.6
All Commodities	1967=100	April	n.a.	.....	.....

e=estimated. **Seasonally adjusted.*
r=revised. ***Seasonally adjusted annual rate.*
p=preliminary. *n.a.=not available*
[1] *Excludes one indicator series for which data are not yet available.*

for the same period is taken into account.

Total tax collections, which include not only general excise taxes paid on the gross income of businesses, but all other state tax collections as well, were 4.8% ahead of the January to April period a year ago. Were it not for higher property valuations ringing up 14.4% more in property taxes, the increase in total tax collections would have been considerably less as the increase in real property taxes accounted for 57.6% of the increase in total tax collections. Not since the early 1960s have tax collections grown so slowly.

But mechanical factors—changes in tax laws and processing delays—have been working to slow down the pace of collections as much as a sluggish economy. Collections from the tax on financial corporations fell 67%, in part reflecting a credit due on taxes paid in a prior year. Employment security tax collections fell as they have for the past several years: Unemployment has been low and employer tax rates have diminished accordingly. January 1980 inheritance and estate taxes were overstated and included some collections that belonged in the preceding month. By far the biggest factor pulling down collections in 1981 has been the higher personal income tax exemption—to $1,000 from $750. The law applied last year but many employers didn't adjust withholding schedules until this year which has resulted in lower withholdings this year as well as higher refunds for last year's over withholding.

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Economic Indicators

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A Monthly Report by the Research Division *Dr. Thomas K. Hitch, Senior Vice President* *Shurei Hirozawa, Vice President* *July 1981*

Real Property Taxes

The real property tax has been a gold mine for the counties during the past decade. Revenues from this source provide between 35 and 50 percent of each county's annual expenditures, and collections have increased steadily year after year. Inflation and rapid development of land throughout the state in the 1970s made real property taxes the painless way for the counties to collect more taxes each year to fund their rapidly growing budgets. It was painless for the counties because the State determined the property values, which skyrocketed due to inflation and strong demand. All the counties had to do was to maintain the tax rate or even lower it and yet revenues would keep pouring in as a result of rapidly increasing property values and expansion of the tax base. The State tax assessors appeared to be the culprits, when actually the counties have the authority to set the rates lower or higher depending on their budget needs. But beginning July 1, the entire program from assessing real property to collecting property taxes was transferred from the State to the respective counties as mandated by the Constitutional Convention of 1978, giving the counties complete responsibility for the size of our property tax bills.

The market value of real property—made up of land and improvements—as determined by State tax assessors jumped from $10.95 billion in 1970 to $36.47 billion in 1980, a gain of more than 233 percent. The valuation used for tax purposes was 70 percent of the market value through 1975, and the Legislature lowered it to 60 percent beginning in 1976.

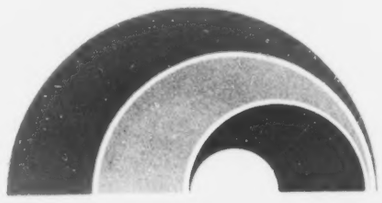
Since gross valuation was lowered to 60 percent of market value in 1976, its total growth over the decade was less than the increase in market value. Nevertheless it rose 185.5 percent, going from $7.7 billion in 1970 to $21.9 billion in 1980. For the City-County of Honolulu, gross valuation grew by 160.2 percent, which means that the Neighbor Island counties experienced larger percentage gains. Maui County posted a tremendous run-up of 496.4 percent, Hawaii County gained 204.7 percent, and Kauai County, 231.4 percent. However, in dollar terms, the City-County of Honolulu accounted for $10.2 billion of the $14.2 billion total gain in gross valuation during the ten years.

The tremendous increases in gross valuations made it possible for the counties to sharply increase their revenues from real property taxes and even allowed some to lower their tax rates. In the ten years, the City-County of Honolulu cut its tax rate from $19.21 per thousand dollars of valuation to $15.23 per thousand in three steps. Still revenues increased 126 percent. Revenues from this source increased even faster for the Neighbor Island counties during the decade where land development was encouraged in order to broaden the tax base. Land development combined with inflated real estate market values caused revenues to increase handsomely to help meet the rising costs of government.

The best example of this effort was Maui County, where the real estate boom spanning the decade made it possible for the County to cut its real property tax rate by more than half and yet see a 259 percent increase in real property tax collections, the best performance of any of the counties. At $15 per thousand dollars of valuation in 1970, Maui County together with Kauai County had the lowest tax rates. But Maui County became the envy of the other counties as its expanding tax base made it possible to lower its tax rate all the way down to $6.47 per thousand in 1979, although the rate was raised to $7.50 in 1980. This rate is still only half that of the next lowest county rate. Kauai County did as well in increasing its real property tax revenues—up 258.6 percent for the decade, but it only lowered its tax rate from $15 per thousand to $14.50 per thousand. Hawaii County maintained its $17.90 tax rate throughout the decade, and its real property tax revenues increased 220.5 percent.

The growth in gross valuation of the hotel-apartment classification led all other categories, more than quadrupling during the decade—from $1.2 billion in 1970 to $4.9 billion in 1980. This was the result of the great tourist boom when visitor accommodations in the state went from 26,923 rooms in 1970 to 55,700 in 1980. Over the decade, the hotel-apartment share of gross valuation went from 17.5 percent of the total to 22.4 percent, providing the biggest increase in real property taxes to every county. The biggest dollar increase in gross valuation was in improved residential property, with a gain of $6.4 billion to $10 billion. However, its proportionate share of total gross valuation declined from 47.4 percent to 45.7 percent in 1980. The other classifications and their ten-year gains in gross valuations were: commercial, up $2 billion to $3.1 billion; industrial, up $1.2 billion to $2 billion; agricultural, up $757,000 to $1.2 billion; conservation, up $118,000 to $237,000; and unimproved residential, up $247,000 to $429,000.

The prospects of real property valuations growing as rapidly during the decade of the 1980s are dim. Resources of land and water, especially on Oahu, are in short supply, and harrassed residents are exerting more pressure for slower development. The counties may have the politically unpleasant task within a few years of having to raise real property tax rates to pay for rising costs or seek more revenues elsewhere. The entire real property tax program is in their hands now. They won't have the State tax assessors to take the heat anymore.



First Hawaiian Bank

Established 1858 • Member of F.D.I.C.

business activity-hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	May	309,490p	0.6	4.0
	number	Jan.-May	1,571,607p	.....	−2.5
Westbound	number	May	224,681p	−4.1	0.1
	number	Jan.-May	1,194,709p	.....	−4.5
Eastbound	number	May	84,809p	15.7	15.8
	number	Jan.-May	376,898p	.....	4.6
AVERAGE DAILY VISITOR CENSUS[1]	number	May	72,094p	−6.4	2.3
AVERAGE LENGTH OF STAY[1]	no. of days	May	10.7	8.1	10.3
MEETINGS ATTENDANCE	number	April	15,520	−15.5	−38.9
ORGANIZED GROUP TOURS	number	May	49,971p	−9.4	−14.3
NEIGHBOR ISLAND VISITORS[1]					
Maui	number	May	102,805p	−1.6	0.1
	number	Jan.-May	559,721p	.....	−1.7
Hawaii	number	May	46,173p	−3.5	−17.0
	number	Jan.-May	260,493p	.....	−19.6
Kauai	number	May	58,757p	0.9	−0.7
	number	Jan.-May	291,779p	.....	−7.5
VISITOR ACCOMMODATIONS					
STATE	number	June 1981	56,502	−0.5	1.7
Oahu	number	June 1981	33,566	−1.2	−2.4
Waikiki	number	June 1981	29,101	−1.3	−4.6
Maui (includes 11 in Lanai)	number	June 1981	10,706	−0.2	7.9
Molokai	number	June 1981	539	−15.1	−3.2
Hawaii	number	June 1981	6,859	2.3	9.6
Kauai	number	June 1981	4,832	2.0	9.0
HOTEL OCCUPANCY					
STATE	percent	May	63.0	−0.2	−0.3
Oahu	percent	May	68.6	−2.0	2.1
Maui	percent	May	57.9	−2.9	−9.7
Hawaii	percent	May	43.9	−4.1	−8.7
Kauai	percent	May	68.4	4.9	4.0
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL	mil. $	1st Qtr. 1981	340.0	2.7	4.0
Military Payroll	mil. $	1st Qtr. 1981	137.5	−2.0	9.1
Civilian Payroll	mil. $	1st Qtr. 1981	102.2	−7.9	−8.3
Local Purchases	mil. $	1st Qtr. 1981	100.4	25.5	12.2
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan.-May 30	350.9	.....	23.8
N. Y. RAW SUGAR PRICE	$ ton	May	352.13	−11.7	−45.1
PINEAPPLE SHIPMENTS					
CANNED[2]	thous. $	Jan.-Nov. 1980	178.3	.....	13.9
FRESH	thous. lbs.	Jan.-May	94,817	.....	10.3
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised), All Items	1967=100	April	250.2	2.8	9.5
All Urban Consumers, All Items	1967=100	April	250.0	2.8	9.9
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	May	596.2	2.8	−1.4
GAS SALES	thous. therms	May	4,137	−2.0	−4.4
TELEPHONES IN SERVICE	thous.	May	719.2	0.9	3.1

p=preliminary.
[1]Estimated Westbound.
[2]Gross taxable income valued at time of shipment.
[3]Compared to December 1980.

Car Sales

New car registrations on Oahu during the first quarter of the year indicate a trend back to the domestic car market. That's welcome news for local dealers of American makes who saw their sales plummet 39.8% last year and their market share fall from 52.9% in 1979 to 38.3%. Stronger sales so far this year have helped restore some of the lost market share to domestics with sales in the first quarter 9.7% ahead of the first quarter last year. American models captured 47.4% of the Hawaii car market in the first quarter.

While sales of American cars turned up in 1981, import sales have declined sharply. Sales of Japanese makes fell 14.8% below first quarter 1980 sales, lagging 6% behind sales of American makes and taking a 44.6% market share. The drop in Japanese car sales this year comes on the heels of a banner year in 1980 when Japanese car sales bolted ahead 20.6%, outselling American makes by 37% and claiming 52.3% of the Hawaii market.

The declining market for European cars has continued its slide into 1981. 1980 sales plunged 30% and first quarter 1981 sales are down 25% compared to first quarter 1980. European makes now have 8% of the Hawaii car market.

What's happening in car sales is largely a matter of cost. Soaring oil prices in 1979 and 1980 spurred the demand for greater fuel efficiency. Japanese models satisfied this demand at the most affordable price with little or no

business activity-hawaii [cont.]

series	unit	period	number	percent change: from preceding period	percent change: year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. $	November	135.6	24.4	16.5
	mil. $	Jan.-Nov. 1980	1,453.5	.....	18.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. $	Jan.-Feb.	99,735	.....	−1.2
C&C of Honolulu	thous. $	Jan.-May	167,571	.....	188.0
Maui County	thous. $	Jan.-Feb.	54,574	.....	56.3
Hawaii County	thous. $	Jan.-May	22,913	.....	−42.3
Kauai County	thous. $	Jan.-May	21,211	.....	−15.1
SINGLE FAMILY UNITS					
STATE	number	Jan.-Feb.	522	.....	−28.0
C&C of Honolulu	number	Jan.-May	351	.....	−55.3
Maui County	number	Jan.-Feb.	88	.....	−34.8
Hawaii County	number	Jan.-May	463	.....	−17.6
Kauai County	number	Jan.-May	163	.....	0.6
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-Feb.	709	.....	−27.6
C&C of Honolulu	number	Jan.-May	1,720	.....	120.2
Maui County	number	Jan.-Feb.	522	.....	35.2
Hawaii County	number	Jan.-May	24	.....	−91.8
Kauai County	number	Jan.-May	100	.....	−59.3
NONRESIDENTIAL					
STATE	thous. $	Jan.-Feb.	92,509	.....	17.5
C&C of Honolulu	thous. $	Jan.-May	92,362	.....	−5.9
Maui County	thous. $	Jan.-Feb.	4,401	.....	18.4
Hawaii County	thous. $	Jan.-May	44,084	.....	64.3
Kauai County	thous. $	Jan.-May	10,086	.....	−35.9
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. $	Jan.-June	160,520	.....	110.9
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. $	Jan.-June	37,943	.....	84.3
STATE	thous. $	Jan.-June	100,310	.....	213.9
COUNTY	thous. $	Jan.-June	22,225	.....	−5.7
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. $	Jan.-June	138,214	.....	141.5
Maui County	thous. $	Jan.-June	2,754	.....	0.5
Hawaii County	thous. $	Jan.-June	9,268	.....	−27.6
Kauai County	thous. $	Jan.-June	10,285	.....	207.0
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967=100	June	287.3	0.8	3.7
HIGH-RISE	1967=100	June	304.9	0.4	6.7
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. $	November 1980	1,622.6	12.9	21.0
	mil. $	Jan.-Nov. 1980	17,560.9	.....	11.2
DIVERSIFIED MANUFACTURING	mil. $	November 1980	48.8	17.9	27.2
	mil. $	Jan.-Nov. 1980	576.7	.....	10.0
DIVERSIFIED AGRICULTURE	mil. $	November 1980	9.4	−43.0	7.9
	mil. $	Jan.-Nov. 1980	126.8	.....	−9.0
RETAILING	mil. $	November 1980	560.2	14.0	23.3
	mil. $	Jan.-Nov. 1980	5,902.1	.....	12.0
WHOLESALING	mil. $	November 1980	444.0	19.4	5.6
	mil. $	Jan.-Nov. 1980	4,364.8	.....	−2.6
SERVICES	mil. $	November 1980	283.7	9.4	23.7
	mil. $	Jan.-Nov. 1980	3,478.3	.....	15.8
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	March	2,823	−17.1	4.0

finance - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
BANKING					
TOTAL BANK DEBITS					
STATE	mil $	May 29	4,313.9	-0.3	7.2
[illegible]	mil $	May 29	3,523.9	0.0	6.7
[illegible]	mil $	May 29	280.7	2.0	8.9
[illegible]	mil $	May 29	353.4	1.2	8.7
[illegible]	mil $	May 29	155.9	1.4	12.6
BANK DEBITS (SEASONALLY ADJUSTED)					
STATE	mil $	May 29	1,088.9	2.4	10.9
[illegible]	mil $	May 29	914.4	1.9	10.7
[illegible]	mil $	May 29	68.5	8.1	14.4
[illegible]	mil $	May 29	77.0	1.5	9.9
[illegible]	mil $	May 29	29.1	3.8	9.6
DEBIT TO DEMAND DEPOSITS RATIO					
STATE	mil $	May	7,217.2	6.8	5.3
[illegible]	mil $	May	6,665.5	6.6	6.3
[illegible]	mil $	May	236.1	4.4	6.7
[illegible]	mil $	May	227.3	13.2	6.6
[illegible]	mil $	May	88.4	9.1	4.3
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	May	78.58	2.8	17.6
[illegible]	annual rate	May	86.62	2.5	18.5
[illegible]	annual rate	May	39.62	1.2	9.2
[illegible]	annual rate	May	35.17	11.7	2.8
[illegible]	annual rate	May	35.78	7.4	6.3
TAX COLLECTIONS					
[illegible]	mthly $	May	117,741	7.0	4.5
	mthly $	Jan. May	600,312		2.8
	mthly $	May	104,544	11.9	5.3
	mthly $	Jan. May	514,836		2.2
[illegible]	mthly $	May	6,426	4.3	1.7
	mthly $	Jan. May	33,619		10.3
[illegible]	mthly $	May	4,905	27.8	7.6
	mthly $	Jan. May	36,270		5.5
[illegible]	mthly $	May	1,865	45.2	1.4
	mthly $	Jan. May	15,588		3.3

employment and unemployment - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
STATE					
[illegible]	thous	May	405.8p	0.0	1.7
Employment	thous	May	383.9p	0.1	0.8
[illegible]	thous	May	21.9p	5.3	22.1
Unemployment Rate	percent	May	5.4p	3.8	20.0
C & C OF HONOLULU					
[illegible]	thous	May	308.6p	0.0	1.8
Employment	thous	May	302.8p	0.1	1.2
[illegible]	thous	May	15.8p	3.3	16.7
Unemployment Rate	percent	May	4.9p	2.1	14.0
MAUI COUNTY					
[illegible]	thous	May	33.5p	0.1	0.1
Employment	thous	May	31.5p	0	1.9
[illegible]	thous	May	2.1p	2.5	41.4
Unemployment Rate	percent	May	6.1p	1.7	41.9
HAWAII COUNTY					
[illegible]	thous	May	36.1p	0.4	2.7
Employment	thous	May	33.2p	0.2	0.9
[illegible]	thous	May	2.9p	1.8	31.8
Unemployment Rate	percent	May	8.1p	2.5	28.6
KAUAI COUNTY					
[illegible]	thous	May	17.7p	0.6	0.6
Employment	thous	May	16.6p	0.9	1.5
[illegible]	thous	May	1.2p	9.5	53.3
Unemployment Rate	percent	May	6.4p	6.7	52.4
JOB COUNT BY INDUSTRY					
TOTAL NONAGRICULTURAL[1]	thous	May	444.6p	0.1	0.1
[illegible]	thous	May	9.0p	0	5.3
[illegible]	thous	May	5.6p	6.7	1.8
[illegible]	thous	May	15.9p	0.3	0.9
[illegible]	thous	May	4.2p	2.4	5.2
[illegible]	thous	May	11.2p	0	0.4
[illegible]	thous	May	3.1p	1.7	0
[illegible]	thous	April 12-18[2]	7.9p	6.8	12.9
CONTRACT CONSTRUCTION	thous	May	24.2p	0.6	1.4
TRANSPORTATION	thous	May	20.8p	0.7	1.0
COMMUNICATION	thous	May	7.4p	0	3.5
UTILITIES	thous	May	2.7p	0	1.9
RETAIL TRADE	thous	May	85.6p	0.4	0.5
WHOLESALE TRADE	thous	May	17.6p	0.6	5.9
FINANCE, INSURANCE AND REAL ESTATE	thous	May	34.5p	0.4	0.3
HOTEL SERVICES, STATE	thous	May	23.6p	1.9	6.7
Honolulu County	thous	May	14.3p	2.1	7.1
Maui County	thous	May	5.0p	2.0	-2.0
Hawaii County	thous	May	2.8p	3.5	12.7
Kauai County	thous	May	1.6p	0	5.9
OTHER SERVICES	thous	May	75.6p	0.2	2.7
FEDERAL GOVERNMENT	thous	May	30.1p	0	0.5
Civilian Agencies	thous	May	10.9p	0.5	5.2
Defense Departments	thous	May	19.2p	0.3	3.4
STATE GOVERNMENT	thous	May	47.8p	0.3	1.3
COUNTY GOVERNMENT	thous	May	12.5p	1.2	5.7
HOURS AND EARNINGS BY INDUSTRY					
CONTRACT CONSTRUCTION					
Average Hourly Earnings	dollars	May	12.97p	0.6	10.8
Average Weekly Hours	hours	May	37.8p	5.9	3.6
MANUFACTURING					
Average Hourly Earnings	dollars	May	7.42p	1.1	8.8
Average Weekly Hours	hours	May	39.2p	0	9.2
COMMUNICATION AND UTILITIES					
Average Hourly Earnings	dollars	May	10.16p	6.3	7.9
Average Weekly Hours	hours	May	42.8p	0.7	3.6
TRADE					
Average Hourly Earnings	dollars	May	5.65p	5.2	0.4
Average Weekly Hours	hours	May	34.3p	4.6	3.3
FINANCE					
Average Weekly Earnings	dollars	May	211.46p	1.3	18.0
HOTELS					
Average Hourly Earnings	dollars	May	5.83p	1.6	4.9
Average Weekly Hours	hours	May	33.2p	3.1	8.9
HIRED FARM WORKERS[3,4]					
Average Hourly Earnings	dollars	April 12-18	6.00	2.6	5.3
Average Weekly Hours	hours	April 12-18	38.7	-0.3	-0.5

p=preliminary
[1]Series includes agricultural employment during April survey week.
[2]Agricultural jobs are included in the total job count even though the period differs. Agricultural employment is surveyed only four times a year, in January, April, July, and October. These dates also apply to the field portions of sugar and pineapple jobs.
[3]Includes some office and supervisory workers.
[4]Like the job count for diversified agriculture, the hours and earnings series for hired farm workers is based on a survey taken once every January, April, July, and October.

competition. European models were too expensive and American cars used too much gas. But 1981 brought the unveiling of some new American models that are designed to meet the Japanese competition head on, both in terms of price and fuel economy. Furthermore, rebates used by domestic automakers in the first quarter of the year tended to boost sales of American makes, while stiff price hikes on some Japanese models turned many buyers away from the Japanese market.

In total, Hawaii car buying is about 6% below what it was in the first quarter of last year, likely a result of higher interest rates and a weaker economy.

Construction

The value of building permits issued through May for private construction on Oahu stood 39% ahead of the January-May period one year ago. At a time when interest rates are painfully high and the local real estate market is in the doldrums, the upsurge in applications for new construction appears an anomaly. But the upswing is somewhat misleading in that it was artificially stimulated by zoning changes rather than by improved market conditions as the numbers would seem to imply.

Last December the City Council ordered a one-year moratorium on high-rise construction in the Salt Lake area but provided a 120-day grace period for the city to finish processing applications filed before the measure was adopted - hence the bulge in permit approvals. When the $85.7 million, 1,000-unit Lakeside Towers project and the $28.3 million, 265-unit Fairway Vista, both slated for Salt Lake, are factored out, the 39% gain translates into a 22% decline in authorizations for private construction.

public assistance - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT					
Weekly Average		May	10,331	-9.9	17.9
INTRASTATE INITIAL CLAIMS		May	5,684	-10.7	9.1
INTERSTATE INITIAL CLAIMS		May	340	7.9	-12.6
UNEMPLOYMENT INSURANCE BENEFITS		May	4,761	-3.8	38.2
PUBLIC ASSISTANCE					
RECIPIENT					
Income Maintenance		May	71,728	0.0	1.0
Services		2nd Qtr. 1981	12,505	-2.5	-3.0
Medical		May	55,419	8.1	-2.7
Food Stamps		May	104,706	0.7	0.1
PAYMENTS					
Income Maintenance		May	9,531	-0.1	2.9
Services		2nd Qtr. 1981	n.a.		
Medical		May	14,246	51.4	33.5
Food Stamps		May	6,044	0.4	16.7

[illegible] count is duplicated. A person may be counted in each category.

population, personal income - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
POPULATION					
[illegible] - STATE	number	July 1981	1,059,900p		2.0
RESIDENT - STATE	number	July 1981	973,000p		2.4
C & C of Honolulu	number	July 1981	768,000p		1.9
Maui County	number	July 1981	71,800p		4.2
Hawaii County	number	July 1981	93,700p		5.3
Kauai County	number	July 1981	39,500p		3.7
NON-RESIDENT - STATE	number	July 1981	912,000p		2.2
MILITARY PERSONNEL - STATE	number	April 1981	61,019p		5.4*
Army	number	April 1981	48,813p		8.7*
Navy	number	April 1981	12,206p		-5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1981	64,023p		-0.8*
NET IN-MIGRATION	number	12 mo. total ending June '81	6,201		4.4
PERSONAL INCOME					
TOTAL PERSONAL INCOME**	mil $	4th Qtr. 1980	9,849	3.9	13.1
Wage and salary income	mil $	4th Qtr. 1980	7,559	4.4	11.1
Manufacturing	mil $	4th Qtr. 1980	445	5.7	16.5
Construction & Mining	mil $	4th Qtr. 1980	615	22.3	14.5
Government	mil $	4th Qtr. 1980	332	0.3	4.7
Retail	mil $	4th Qtr. 1980	874	0.1	7.5
Finance, Ins. & Real Estate	mil $	4th Qtr. 1980	625	8.5	13.4
Trans., Comm. & Util.	mil $	4th Qtr. 1980	738	5.6	12.2
Services	mil $	4th Qtr. 1980	1,486	-1.4	7.5
Farm & Other	mil $	4th Qtr. 1980	252	2.0	4.6
Federal Civilian	mil $	4th Qtr. 1980	653	2.7	7.9
Federal Military	mil $	4th Qtr. 1980	709	11.1	19.2
State & Local	mil $	4th Qtr. 1980	829	2.5	15.1
Property Income					
Dividends, Interest, Rent	mil $	4th Qtr. 1980	1,423	2.4	16.4
Personal Contributions for Social Insurance					
Transfer Payments[5]	mil $	4th Qtr. 1980	867	2.2	26.6
PER CAPITA PERSONAL INCOME					
STATE PER CAPITA	dollars	1980	9,787		6.1
PER CAPITA BY COUNTY					
C & C of Honolulu	dollars	1979	9,573		9.5
Maui County	dollars	1979	8,399		10.3
Hawaii County	dollars	1979	7,760		8.7
Kauai County	dollars	1979	7,762		8.6

p= preliminary
r=revised
n.c.=not comparable
*Compared to July 1, 1979
**Total personal income and all components are seasonally adjusted at annual rates.
[5]These immigration statistics include only those entering Honolulu ports and do not include status changes.
[6]Includes wage and salary disbursements, proprietors' income, and other labor income.

u. s. economic indicators

series	unit	period	number	percent change: from preceding period	percent change: year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF 12 LEADING INDICATORS*†	1967=100	April	137.7p	0.4	9.1
GROSS NATIONAL PRODUCT**					
Current Dollars	bil $	1st Qtr. 1981	2,853.0	4.5	10.9
In 1972 Dollars	bil $	1st Qtr. 1981	1,516.4	2.1	1.0
PERSONAL INCOME**	bil $	May	2,367.2	0.6	12.0
RETAIL SALES*	mil $	May	85,890	0.2	13.1
INDUSTRIAL PRODUCTION*	1967=100	May	152.8	0.3	6.1
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil $	April	44,120.4	-2.4	26.8
TURNOVER OF DEMAND DEPOSITS**	annual rate	April	171.8	-2.9	35.9
BANK LOANS*	bil $	May	943.0	0.9	9.2
AVERAGE PRIME RATE CHARGED BY BANKS	percent	June	20.03	2.1	58.6
CONSUMER INSTALLMENT DEBT*	mil $	April	314,778	0.7	2.3
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil $	April	244.6p	-2.7	8.3
CONSTRUCTION COST INDEXES					
Residences	1967=100	March	194.9	1.2	6.7
Apts., Hotel, Office Bldgs.	1967=100	March	197.1	1.2	9.6
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous	May	99,235	0.3	2.2
UNEMPLOYMENT*	thous	May	8,171	5.5	2.9
UNEMPLOYMENT RATE*	percent	May	7.6	4.1	0
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	May	269.1	0.9	9.8
All Urban Consumers	1967=100	May	269.0	0.8	9.8
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	May	268.3	0.4	10.5
All Commodities	1967=100	May	293.7	0.3	11.2

e=estimated. *Seasonally adjusted.
r=revised. **Seasonally adjusted annual rate.
p=preliminary. n.a.=not available
†Excludes one indicator series for which data are not yet available.

population, personal income - hawaii

Tourism

Good news for the Hawaii visitor industry. May brought the best performance since last August with the count of overnight and longer visitors up 4% over May of last year. That was only the third time in the last 10 months that the visitor count has surpassed the year-earlier figure.

The increase was almost entirely attributable to the eastbound component (traffic from the Orient and South Pacific) where the count rose a heady 15.8% boosted by an upsurge of Japanese visitors. The performance in the westbound sector (traffic from the Mainland, Canada and Europe), where an increase of a mere 0.1% was recorded, was also heartening news as westbound travel is what has been pulling down the overall visitor total the past few years. The increase in westbound visitors was the first recorded since December and only the second in ten months. Group travel was particularly weak, as it has been for two years now. Meetings attendance so far this year has fallen 26.5% behind last year. The strength in westbound traffic continues to emanate from the West Coast FIT market.

First Hawaiian Bank Established 1858 Member FDIC

Economic Indicators

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A Monthly Report by the Research Division *Dr. Thomas K. Hitch, Senior Vice President* *Shurei Hirozawa, Vice President* *August, 1981*

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Hawaii's Drought Problem

Despite some recent rain, the state has been getting below-average rainfall this year, and the areas that have been hit the hardest are Hamakua and South Kohala on the Big Island. The lower rainfall has brought economic hardship to some ranchers and farmers, and to a lesser degree, to sugarcane growers. The Governor declared this a disaster area, thus providing some State aid. Consumers have had to cut water usage to stretch dwindling supplies, and the County has taken emergency measures to relieve shortages by bringing in water from areas of surplus.

Hawaii has lived through drought conditions in the past, and will face dry periods in the future because rainfall distribution is uneven and uncertain. Man must adjust to nature if water is to be available when needed in sufficient volume for his economic well-being. With a rapid increase in population and an expanding economy, the Kamuela-Kawaihae-Waikoloa triangle has seen its water consumption increase rapidly. Since this area depends on the streams and springs of the Kohala Mountains for most of its water requirements, the effect is quickly felt during a drought.

The Hamakua area gets more than 100 inches of rainfall in normal years, but for the first half of this year rainfall amounts have been about 10 percent of average. Even if Hamakua gets 40 to 50 inches this year, the rainfall would be insufficient for normal sugarcane growth. But dryness is relative. If Waikiki were to get 40 to 50 inches of rainfall this year, it would experience one of its very wettest years on record. In modern times Waikiki has never suffered from a water shortage, because it gets its water from underground supplies, rather than having to depend on surface water from rainfall or stream flow.

The islands of Hawaii lie in a dry part of the world. That is, if there were no Hawaiian Islands, the average rainfall in this part of the ocean would be around 25 inches a year, according to Saul Price, National Weather Service meteorologist who has studied island weather for many years. But the five major islands of Hawaii that lie in the track of the trade winds have mountains that are veritable rain factories. Price says there are three main ways rain occurs in Hawaii. In all of them, moist air is forced to rise until cooling condenses the moisture into cloud and rain. The most frequent and important of these ways is when our mountains force the moist trade winds to rise up their slopes. An example of this is Oahu, with its two mountain ranges, the Koolaus and the Waianaes. If these two long, narrow ranges ran from northeast to southwest so that they simply split the trade winds (instead of running, as they do, from northwest to southeast so that they lie directly abreast of the trade winds), Oahu would be a much drier island. Another source of rain is the winter storms, in which large currents of air converge and rise. The third way is when air is forced to rise over island and mountain areas heated by the sun.

The latter two methods don't produce much rain for Hawaii on a day-to-day basis, and the state depends on the trade winds and its mountains for most of its rainfall. The annual statewide rainfall average of about 70 inches is almost three times as much as we would get if there were no mountains, or over 10 billion gallons of rainfall daily produced by the mountain/trade winds rain factories. Much of the rainfall evaporates or is lost by plants into the air, another large proportion runs off to the sea, and the remainder percolates into the earth to replenish our groundwater systems.

The current dry spell on the Big Island appears to be a combination of the failure of two normal occurrences. The leeward sides of our islands depend on winter storms for a lot of their moisture. The storms did not show up last winter and the lack of rain between October and February dried up the cattle ranges in South Kohala. This district also depends on trade wind showers on the Kohala Mountains, but there was an unusual lack of trades the past winter that extended through May, according to a study just completed by Dr. Steve Lyons of the University of Hawaii Meterology Department. The trades returned in June and although they created some dark clouds on Kohala Mountain, very little rain fell. One reason for this is that the trade winds may contain less moisture during the summer months. Another is a phenomenon known as the trade wind inversion, caused when cooler air aloft descends and warms, forming a layer of warm air about a mile above the ground. Sometimes this warm layer is intense enough to block the trade winds from rising high enough to produce significant rain. So it was a succession of adversities—lack of winter rains, lack of trades, and trade wind inversions—that brought on a long period of dry weather to this area of the Big Island. East and northeast Maui suffered from similar patterns, according to the study.

Frequent drought over the past decade obscures the fact that the Neighbor Islands, especially the Big Island, are richly endowed with water. However, it is going to take better resource management for them to provide sufficient water for their growing economies. The Big Island has almost eight times Oahu's volume of ground water and almost nine times Oahu's volume of surface water. Oahu has developed its ground water resources almost to the maximum sustainable level and in 1975 used close to 40 percent of its surface flows. The Big Island in 1975 used less than 4 percent of its surface water and about one-half of one percent of its ground water.

Hawaii County took over an 8-million gallon storage reservoir in the Kohala Mountains from the military after World War II, and since then has added two 50-million gallon reservoirs in the same area to serve municipal, industrial, and agricultural needs (except for sugar) in South Kohala and Hamakua, the only areas of the County served almost entirely by surface flows. Capital requirements for water development will be high, but the State pays for source development. Because high elevation makes pumping cost prohibitive, development of ground water may not be feasible while there is abundant unused rainfall in the Kohala Mountains. Storage systems, with transmission by gravity flow, make better economic sense for this area.

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business activity - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	June	344,355	11.3	2.3
	number	Jan.-June	1,915,962	.....	−1.6
Westbound	number	June	265,026	18.0	1.3
	number	Jan.-June	1,459,735	.....	−3.5
Eastbound	number	June	79,329	6.5	5.9
	number	Jan.-June	456,227	.....	4.8
AVERAGE DAILY VISITOR CENSUS[1]	number	June	85,475	18.6	2.4
AVERAGE LENGTH OF STAY[1]	no. of days	June	9.7	−9.3	1.0
MEETINGS ATTENDANCE	number	May	13,394	−13.7	−37.4
ORGANIZED GROUP TOURS	number	June	56,348	12.8	−13.9
NEIGHBOR ISLAND VISITORS[1]					
Maui	number	June	118,319	15.1	−1.0
	number	Jan.-June	678,040	.....	−1.6
Hawaii	number	June	58,971	22.4	−12.8
	number	Jan.-June	319,464	.....	−18.4
Kauai	number	June	67,438	14.8	−5.3
	number	Jan.-June	359,217	.....	−7.1
VISITOR ACCOMMODATIONS					
STATE	number	June 1981	56,502	−0.5	1.7
Oahu	number	June 1981	33,566	−1.2	−2.4
Waikiki	number	June 1981	29,101	−1.3	−4.6
Maui (includes 11 on Lanai)	number	June 1981	10,706	−0.2	7.9
Molokai	number	June 1981	539	−15.1	−3.2
Hawaii	number	June 1981	6,859	2.3	9.6
Kauai	number	June 1981	4,832	2.0	9.0
HOTEL OCCUPANCY					
STATE	percent	June	64.6	2.5	5.4
Oahu	percent	June	76.5	11.5	11.8
Maui	percent	June	53.7	−7.3	−2.4
Hawaii	percent	June	42.9	−2.3	−4.9
Kauai	percent	June	64.0	−6.4	1.6
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL*	mil. $	2nd Qtr. 1981	345.3	.....	6.5
Military Payroll	mil. $	2nd Qtr. 1981	147.6	.....	11.7
Civilian Payroll	mil. $	2nd Qtr. 1981	106.1	.....	11.5
Local Purchases	mil. $	2nd Qtr. 1981	91.6	.....	−5.5
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan.-June 27	484.9	.....	25.1
N. Y. RAW SUGAR PRICE	$/ton	June	377.67	7.3	−41.6
PINEAPPLE SHIPMENTS					
CANNED[2]	thous. $	Jan.-Nov. 1980	178.3	.....	13.9
FRESH	thous. lbs.	Jan.-June	117,932	.....	13.7
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised): All items	1967=100	June	253.8	1.4[3]	11.3
All Urban Consumers, All items	1967=100	June	252.8	1.1[3]	11.1
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	June	562.1	1.1	2.6
GAS SALES	thous. therms	June	4,179	1.0	−3.6
TELEPHONES IN SERVICE	thous.	June	719.3	0.0	2.9

p = *preliminary.*
[1] *Estimated Westbound.*
[2] *Gross taxable income valued at time of shipment.*
[3] *Compared to April, 1981.*
* *Not comparable to previous quarter. 1st Quarter total does not include Coast Guard expenditures.*

Energy

Hawaii residents are consuming considerably less primary energy this year than last, a result of stepped-up efforts to conserve in the wake of much higher fuel prices.

Hawaiian Electric generated 0.4% less power in the five months February-June 1981 than in the same period last year. (January was excluded because of a changeover in billing procedures that affected that month.) However, a much more substantial decline was recorded in residential sales which dropped 3.7%. Gasco reported 6.7% less in gas sales in the first half of the year relative to first half 1980. And the Tax Department reported a 3.3% drop in the amount of liquid fuel sold in the state through May. The most significant decline in liquid fuel sales was in the consumption of aviation fuel which dropped 7.6%, reflective of the sharp cutbacks in airline scheduling in response to high fuel costs and a soft visitor market. Gasoline consumption was down, too − 2.4% when compared to January-May 1981. The drop in gasoline sales stems not only from a reduction in usage by Hawaii residents, but also from a decline in the visitor sector where fewer visitors mean fewer U-drives on the road. While the consumption of gasoline and aviation fuel has dropped so far in 1981, diesel fuel consumption is up, although not for on-highway use as might be expected given the recent popularity of diesel cars. Increases were also recorded in the use of liquid petroleum and fuel for small boats.

business activity - hawaii [cont.]

series	unit	period	number	percent change: from preceding period	percent change: year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. $	Nov. 1980	135.6	24.4	16.5
	mil. $	Jan.-Nov. 1980	1,453.5	.....	18.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. $	Jan.-April	251,989	.....	53.9
C&C of Honolulu	thous. $	Jan.-June	179,059	.....	45.4
Maui County	thous. $	Jan.-April	61,712	.....	25.2
Hawaii County	thous. $	Jan.-June	26,425	.....	39.9
Kauai County	thous. $	Jan.-June	24,881	.....	−9.2
SINGLE FAMILY UNITS					
STATE	number	Jan.-April	957	.....	−34.5
C&C of Honolulu	number	Jan.-June	417	.....	−52.9
Maui County	number	Jan.-April	165	.....	−40.4
Hawaii County	number	Jan.-June	548	.....	−17.0
Kauai County	number	Jan.-June	188	.....	1.1
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-April	2,321	.....	65.2
C&C of Honolulu	number	Jan.-June	1,761	.....	71.3
Maui County	number	Jan.-April	559	.....	4.3
Hawaii County	number	Jan.-June	24	.....	−91.8
Kauai County	number	Jan.-June	100	.....	−59.3
NONRESIDENTIAL					
STATE	thous. $	Jan.-April	135,401	.....	4.9
C&C of Honolulu	thous. $	Jan.-June	104,646	.....	−12.6
Maui County	thous. $	Jan.-April	9,051	.....	29.8
Hawaii County	thous. $	Jan.-June	44,901	.....	62.2
Kauai County	thous. $	Jan.-June	10,766	.....	−34.4
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. $	Jan.-July	182,442	.....	87.2
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. $	Jan.-July	40,965	.....	82.9
STATE	thous. $	Jan.-July	117,384	.....	175.9
COUNTY	thous. $	Jan.-July	24,051	.....	−26.0
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. $	Jan.-July	155,377	.....	105.7
Maui County	thous. $	Jan.-July	3,848	.....	−6.0
Hawaii County	thous. $	Jan.-July	10,487	.....	−23.6
Kauai County	thous. $	Jan.-July	12,730	.....	211.9
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967=100	July	290.8p	1.3	4.2
HIGH-RISE	1967=100	July	307.3p	0.8	6.5
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. $	November 1980	1,622.6	12.9	21.0
	mil. $	Jan.-Nov. 1980	17,560.9	.....	11.2
DIVERSIFIED MANUFACTURING	mil. $	November 1980	48.8	17.9	27.2
	mil. $	Jan.-Nov. 1980	576.7	.....	10.0
DIVERSIFIED AGRICULTURE	mil. $	November 1980	9.4	−43.0	7.9
	mil. $	Jan.-Nov. 1980	126.8	.....	−9.0
RETAILING	mil. $	November 1980	560.2	14.0	23.3
	mil. $	Jan.-Nov. 1980	5,902.1	.....	12.0
WHOLESALING	mil. $	November 1980	444.0	19.4	5.6
	mil. $	Jan.-Nov. 1980	4,364.8	.....	−2.6
SERVICES	mil. $	November 1980	283.7	9.4	23.7
	mil. $	Jan.-Nov. 1980	3,478.3	.....	15.8
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	May	2,282	−0.2	−3.9

finance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
BANKING					
TOTAL BANK DEPOSITS					
STATE	mil. $	June 30	4,386.6	1.7	4.9
Honolulu County	mil. $	June 30	3,591.3	1.9	4.2
Maui County	mil. $	June 30	283.4	1.0	8.4
Hawaii County	mil. $	June 30	353.2	0.0	5.3
Kauai County	mil. $	June 30	158.6	1.7	13.5
BANK DEMAND DEPOSITS					
STATE	mil. $	June 30	1,146.6	5.3	13.2
Honolulu County	mil. $	June 30	965.1	5.5	13.1
Maui County	mil. $	June 30	71.3	4.2	18.7
Hawaii County	mil. $	June 30	78.4	1.9	12.0
Kauai County	mil. $	June 30	31.8	9.3	6.3
DEBITS TO DEMAND DEPOSITS					
STATE	mil. $	June	7,650.6	6.0	16.6
Honolulu County	mil. $	June	7,062.7	6.0	17.5
Maui County	mil. $	June	242.2	2.6	4.1
Hawaii County	mil. $	June	251.6	10.7	10.1
Kauai County	mil. $	June	94.1	6.4	8.4
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	June	82.13	4.5	32.7
Honolulu County	annual rate	June	90.19	4.1	33.4
Maui County	annual rate	June	41.58	4.9	24.9
Hawaii County	annual rate	June	38.85	10.5	23.6
Kauai County	annual rate	June	37.12	3.7	17.7
TAX COLLECTIONS					
TAX LIABILITY (NON-UTILITY)	thous. $	June	104,672	11.1	26.9
	thous. $	Jan.-June	704,984		5.8
Honolulu County	thous. $	June	93,672	10.4	31.6
	thous. $	Jan.-June	608,508		5.8
Maui County	thous. $	June	4,731	26.4	4.9
	thous. $	Jan.-June	35,350		9.6
Hawaii County	thous. $	June	3,744	23.7	24.0
	thous. $	Jan.-June	40,013		1.8
Kauai County	thous. $	June	2,525	35.4	37.7
	thous. $	Jan.-June	18,113		7.0

employment and unemployment-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
STATE					
Civilian Labor Force	thous.	June	412.9p	1.7	2.2
Employment	thous.	June	387.1p	0.8	1.1
Unemployment	thous.	June	25.7p	17.8	22.0
Unemployment Rate	percent	June	6.2p	14.8	19.2
E & E Wage Earners					
Civilian Labor Force	thous.	June	321.4p	1.5	2.3
Employment	thous.	June	304.7p	0.6	1.5
Unemployment	thous.	June	16.7p	18.7	18.0
Unemployment Rate	percent	June	5.0p	18.4	16.0
MAUI COUNTY					
Civilian Labor Force	thous.	June	65.1p	4.8	1.4
Employment	thous.	June	62.7p	4.0	0.6
Unemployment	thous.	June	2.4p	14.6	34.3
Unemployment Rate	percent	June	6.7p	9.8	31.4
HAWAII COUNTY					
Civilian Labor Force	thous.	June	36.6p	1.4	3.1
Employment	thous.	June	33.2p	.0	0.9
Unemployment	thous.	June	3.4p	17.2	30.8
Unemployment Rate	percent	June	9.3p	14.8	27.4
KAUAI COUNTY					
Civilian Labor Force	thous.	June	17.9p	1.1	0
Employment	thous.	June	16.6p	0.3	2.4
Unemployment	thous.	June	1.3p	8.7	38.9
Unemployment Rate	percent	June	7.0p	9.4	42.9
JOB COUNT BY INDUSTRY					
AGRICULTURAL[1]	thous.	June	44.4p	0.2	0.1
NONAGRICULTURAL	thous.	June	341p	0.6	3.0
PINEAPPLE (primarily non-farm)	thous.	June	7.3p	29.5	0
Diversified Agriculture					
(excluding sugar and pineapple but including agricultural self-employed)	thous.	June	16.1p	1.3	0.3
	thous.	June	4.4p	6.0	1.1
Non-Domestic Labor (primarily diplomatic and federal)	thous.	June	11.7p	0	0.4
DIVERSIFIED AGRICULTURE[2] (excluding sugar and pineapple but including agricultural self-employed)	thous.	April 12-18[3]	7.9p	6.8	12.9
CONTRACT CONSTRUCTION	thous.	June	24.4p	1.0	1.0
TRANSPORTATION	thous.	June	20.8p	0.2	2.1
COMMUNICATION	thous.	June	7.4p	0	3.5
UTILITIES	thous.	June	2.7p	0	1.9
RETAIL TRADE	thous.	June	86.2p	0.8	0.3
WHOLESALE TRADE	thous.	June	17.8p	1.1	5.1
FINANCE, INSURANCE AND REAL ESTATE	thous.	June	33.6p	0.4	3.0
HOTEL SERVICES-STATE	thous.	June	23.5p	0.6	5.4
Honolulu County	thous.	June	14.3p	0	5.6
Maui County	thous.	June	4.8p	3.0	1.0
Hawaii County	thous.	June	2.8p	0	11.3
Kauai County	thous.	June	1.6p	3.1	8.8
OTHER SERVICES	thous.	June	75.5p	0	1.8
FEDERAL GOVERNMENT	thous.	June	30.3p	0.7	-0.2
Civilian Agencies	thous.	June	11.0p	0.9	4.8
Defense Department	thous.	June	19.3p	0.5	-2.7
STATE GOVERNMENT	thous.	June	45.3p	5.1	0.2
COUNTY GOVERNMENT	thous.	June	12.4p	0	6.0
HOURS AND EARNINGS BY INDUSTRY					
CONTRACT CONSTRUCTION					
Average Hourly Earnings	dollars	June	12.92p	-0.2	11.1
Average Weekly Hours	hours	June	30.9p	-18.3	-4.3
MANUFACTURING					
Average Hourly Earnings	dollars	June	7.31p	1.5	8.6
Average Weekly Hours	hours	June	37.6p	4.1	0.3
COMMUNICATION AND UTILITIES					
Average Hourly Earnings	dollars	June	10.17p	0.1	7.2
Average Weekly Hours	hours	June	43.7p	2.1	-0.7
TRADE					
Average Hourly Earnings	dollars	June	6.08p	7.6	9.5
Average Weekly Hours	hours	June	33.5p	-2.3	-1.2
FINANCE					
Average Weekly Earnings	dollars	June	204.80p	-3.1	4.4
HOTELS					
Average Hourly Earnings	dollars	June	6.12p	5.0	7.4
Average Weekly Hours	hours	June	32.0p	-3.6	5.3
HIRED FARM WORKERS[3,4]					
Average Hourly Earnings	dollars	April 12-18	6.00	2.6	5.3
Average Weekly Hours	hours	April 12-18	38.7	-0.3	-0.5

p=preliminary.
[1]Series includes agricultural employment during April survey week.
[2]Agricultural jobs are included in the total job count even though the period differs. Agricultural employment is surveyed only four times a year, in January, April, July, and October. These dates also apply to the field portions of sugar and pineapple jobs.
[3]Includes some office and supervisory workers.
[4]Like the job count for diversified agriculture, the hours and earnings series for hired farm workers is based on a survey taken once every January, April, July, and October.

Consumer Prices

The rate of inflation as measured by the Honolulu Consumer Price Index (CPI) slowed considerably between April and June of this year, the most recent survey periods. A 1.1% increase in prices was recorded. The April-June rate if continued over a 12-month span would result in an annual inflation rate of 6.9%. The annual rate of 17.7% recorded for the preceding 2-month period—February-April 1981—was a more disturbing figure. The culprit then was housing which accounted for two-thirds of the CPI gain.

But between April and June, the pace of inflation slowed dramatically in virtually every major category of consumer spending. Food prices, after rising at an annual rate of 15.9% in the first four months of the year, slowed to a 3.0% annual rate. Housing costs shrunk from a 23% rate of gain to 8%. Apparel and upkeep went from a 4.7% increase to a 0.9% decline at annual rates. The increase in transportation costs slowed from 18.1% to 7.6%. Medical care went from 16.7% to 14.3%. Lastly, and probably the most pleasing of all was the abatement, however temporary, of spiraling energy prices. Honolulu's energy index rose a mere 6.7% at an annual rate between April and June. That's in contrast to a 68% annual rate for the first four months of the year.

Interesting, but not unexpected, has been the relative price stability exhibited by the apparel and household furnishings components of the CPI which both rose at annual rates of only 2.0% in the first half of the year. Purchases in these categories are considered discretionary, in that they may be postponed to more opportune times. Accordingly, with demand soft in these sectors, prices have been weak.

Honolulu did considerably better on the price front between April and June than the average area did nationally. While Honolulu's CPI rose at an annual rate of 6.9% over the two months, nationally the gain was 10.6%. But in the 10 months before that Honolulu's track record wasn't so good—12.0% vs. a 9.4% annual rate nationally.

public assistance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT (weekly average)		June	13,088	26.7	29.5
INTRASTATE INITIAL CLAIMS		June	6,774	19.2	19.2
INTERSTATE INITIAL CLAIMS		June	348	2.4	-14.1
UNEMPLOYMENT INSURANCE BENEFITS		June	5,908	24.1	60.3
PUBLIC ASSISTANCE					
RECIPIENTS*					
Income Maintenance		June	72,195	0.7	1.8
Services		2nd Qtr. 1981	12,505	-2.5	-3.0
Medical		June	51,828	-6.5	-1.3
Food Stamps		June	n.a.	....	....
PAYMENTS					
Income Maintenance		June	9,602	0.7	3.4
Services		2nd Qtr. 1981	n.a.	....	....
Medical		June	11,002	-22.8	21.2
Food Stamps		June	n.a.	....	....

*Count of recipients is duplicated. A person may be counted in each category.

population, personal income-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
POPULATION					
DE FACTO—STATE	number	July 1, 1980	1,059,900p		2.0
TOTAL RESIDENT—STATE	number	July 1, 1980	973,000p		2.4
% OF HONOLULU	number	July 1, 1980	768,000p		1.9
MAUI COUNTY	number	July 1, 1980	71,800p		4.2
HAWAII COUNTY	number	July 1, 1980	93,700p		5.3
KAUAI COUNTY	number	July 1, 1980	39,500p		3.7
CIVILIAN RESIDENT—STATE	number	July 1, 1980	912,000p		2.2
MILITARY PERSONNEL—STATE	number	April 1, 1980	61,019p		5.4*
OAHU	number	April 1, 1980	48,813p		8.7*
KAUAI	number	April 1, 1980	12,206p		-5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1, 1980	64,023p		-0.8*
FOREIGN IMMIGRATION[1]	number	12 mo. total ending July '81	6,223		7.4
PERSONAL INCOME					
TOTAL PERSONAL INCOME**	mil. $	1st Qtr. 1981	10,057	2.1	11.4
Wage, salary income	mil. $	1st Qtr. 1981	7,699	1.9	9.4
Manufacturing	mil. $	1st Qtr. 1981	462	3.8	19.1
Contract Const. & Mining	mil. $	1st Qtr. 1981	652	6.0	16.4
Wholesale	mil. $	1st Qtr. 1981	334	0.6	3.1
Retail	mil. $	1st Qtr. 1981	903	3.3	6.2
Finance, Ins. & Real Estate	mil. $	1st Qtr. 1981	643	2.9	17.6
Trans., Comm. & Util.	mil. $	1st Qtr. 1981	746	1.1	5.8
Services	mil. $	1st Qtr. 1981	1,517	2.1	7.9
Agric. & Other	mil. $	1st Qtr. 1981	248	-1.6	1.6
Federal Civilian	mil. $	1st Qtr. 1981	667	2.1	11.2
Federal Military	mil. $	1st Qtr. 1981	687	-3.1	11.0
State & Local	mil. $	1st Qtr. 1981	839	1.2	5.5
Property Income					
Dividends, Interest, Rent	mil. $	1st Qtr. 1981	1,506	5.8	16.7
Transfer Payments (Current Income)					
Personal Contributions for Social Insurance	mil. $	1st Qtr. 1981	851	-1.8	22.1
PER CAPITA PERSONAL INCOME					
HAWAII PER CAPITA	dollars	1980	10,101r		10.6
PER CAPITA BY COUNTY					
% OF HAWAII	dollars	1979	9,573		9.5
MAUI COUNTY	dollars	1979	8,399		10.3
HAWAII COUNTY	dollars	1979	7,760		8.7
KAUAI COUNTY	dollars	1979	7,762		8.6

p=preliminary
r=revised
n.c.=not comparable
*Compared to July 1, 1979
**Total personal income and all components are seasonally adjusted at annual rates.
[1]These immigration statistics include only those entering Honolulu ports and do not include status changes.
[2]Includes wage and salary disbursements, proprietors' income, and other labor income.

u. s. economic indicators

series	unit	period	number	percent change from preceding period	percent change year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF 12 LEADING INDICATORS**	1967=100	May	135.5	-1.5	10.2
GROSS NATIONAL PRODUCT**					
In Current Dollars	bil. $	2nd Qtr. 1981	2,881.0	1.0	12.3
In 1972 Dollars	bil. $	2nd Qtr. 1981	1,509.1	-0.5	3.1
PERSONAL INCOME**	bil. $	June	2,382.1	0.6	12.0
RETAIL SALES*	mil. $	June	86,372	1.2	11.0
INDUSTRIAL PRODUCTION*	1967=100	June	150.7	-0.1	5.9
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil. $	June	46,482.8	2.9	25.6
TURNOVER OF DEMAND DEPOSITS**	annual rate	June	185.8	5.4	37.9
BANK LOANS*	bil. $	June	947.2	0.4	10.6
AVERAGE PRIME RATE CHARGED BY BANKS	percent	July	20.39	1.8	77.6
CONSUMER INSTALLMENT DEBT*	mil. $	May	316,124	0.4	3.6
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil. $	May	237.3	4.7	7.1
CONSTRUCTION COST INDEXES					
Residences	1967=100	March	194.9	1.2	6.7
Apts., Hotel, Office Bldgs.	1967=100	March	197.1	1.2	9.6
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous.	June	98,392	0.8	1.7
UNEMPLOYMENT*	thous.	June	7,784	-4.7	-0.3
UNEMPLOYMENT RATE*	percent	June	7.3	-3.9	-2.7
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	June	271.4	0.9	9.5
All Urban Consumers	1967=100	June	271.3	0.9	9.6
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	June	269.9	0.4	10.3
All Commodities	1967=100	June	294.5	0.3	10.9

e=estimated. *Seasonally adjusted.
r=revised. **Seasonally adjusted annual rate.
p=preliminary. n.a.=not available
[1]Excludes one indicator series for which data are not yet available.

Public Construction Projects

The value of public construction projects for the first seven months of 1981 is up 87.2% over the same period last year. While this appears to be an impressive increase, it should be remembered that activity last year was severely depressed (the lowest since 1972.) Most of the current activity can be attributed to State government projects located on Oahu. A number of contracts have been awarded for highway construction, the largest of these being the $29.1 million H-1 Keehi Interchange plus the $9.2 million Moanalua Road-Puuloa Interchange to Middle Street. Construction of the $27.7 million State Judiciary Complex and the $3.6 million University of Hawaii Law School Library have also helped to boost activity. Other projects that have raised this year's total have been the $5.7 million grading and drainage project at Lihue Airport on Kauai and the $5.5 million federal contract for family quarters repair at Iroquois Point.

First Hawaiian Bank Established 1858 Member FDIC

Economic Indicators

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A Monthiy Report by the Research Division *Dr. Thomas K. Hitch, Senior Vice President* *Shurei Hirozawa, Vice President* *September 1981*

Ke-ahole Airport

The master plan for the Ke-ahole Airport that was drawn up in the late 1960s envisaged a full-scale airport that, when finally completed, would have some 20 gate positions for interisland aircraft and some 12 gate positions for intercontinental jets. The plan was to build the airport in two increments—the first to provide only interisland service with 6,500-foot runways and the second increment to be capable of handling the largest intercontinental jets with runways of 12,000 feet.

The first increment was completed in mid-1970, and at that time Fujio Matsuda, then State Director of Transportation, said that the State had no immediate plans for building the second increment although the master plan drawn by Peat, Marwick, Livingston and Co. anticipated that the longer runways would be needed by 1985. Matsuda said that timing of the second increment "depends on a lot of things . . . hotel development, plans of the airlines, the overall need. It all has to fit together."

It seems to us that while perhaps **everything** doesn't fit together yet, enough things fit together now that serious attention should be given to extending the runways at Ke-ahole so that overseas jets from the Mainland and from the Far East can land there. Let us mention four pieces of this jigsaw that we think fit together well enough to make it urgent that this issue be looked at seriously.

First, it is now evident that the Big Island is at the end of the line as far as tourism in Hawaii is concerned—that is, as long as visitors arrive in and depart from Honolulu. In the tourism declines of 1980 and 1981, Oahu has suffered the least, Maui and Kauai have suffered a bit more, but the Big Island has dropped dramatically: it is simply too far away from Honolulu and hence too expensive to get to in times of high air fares and high inflation. Tourism to the Big Island will rebound from the present depression far better if the overseas visitor can fly directly there.

Second, if direct flights from overseas to the Big Island are to amount to anything in the future, they will have to be into Ke-ahole rather than into Hilo. Hilo as an intercontinental airport has been in a state of decline for the last decade and may very well amount to nothing in the near future. Flights from the Mainland into and out of Hilo started in 1967 with 18 scheduled landings or departures a week and reached a peak in 1970 with as many as 97 a week, in addition to numerous charter flights for group tours. At that time around 300,000 overseas visitors were moving in or out of Hilo directly on overseas flights, and they were being serviced by six scheduled airlines—Pan Am, United, Continental, Western, Northwest, and Braniff. Pan Am pulled out in 1971, Braniff in 1976, Northwest in 1978, Continental in January 1980, and Western in September 1980. This leaves only United, whose flights have been cut to one daily round trip between Hilo and Los Angeles, and this service will be reduced further for the winter. The charter flights for group tours have long since disappeared from the scene.

Third, if Big Island tourism is to get pulled out of the doldrums, something major has to be done—and one thing that we can see that might do it would be to have direct flights into the heart of the Big Island tourist center—Kona.

This gets us to the fourth and main point—that the Kona/South Kohala area of the Big Island is now the heart of the Big Island tourist industry. When the Ke-ahole Airport was opened in 1970 there were 1,787 hotel rooms in West Hawaii for it to serve, versus an almost equal number (1,395) on the Hilo side of the island. Since then, the number of hotel rooms in East Hawaii has increased slightly to just barely over 2,000 while the number in West Hawaii has jumped dramatically to nearly 5,000 (4,835)—or over 70 percent of the island total. Perhaps even more importantly, there are no new hotels planned for the Hilo area—only a few new condo units to be opened in the next few years—whereas the latest HVB survey shows that over 10,000 new units are being planned for West Hawaii for the future—6,500 condo units and over 3,500 hotel units. When these planned developments have been completed, over 86 percent of all the living units for visitors will be in West Hawaii, and the need for direct flights into that visitor heartland will be evident.

Also, the Big Island gets practically none of the eastbound tourist business that comes to Hawaii, yet it has been the increase in eastbound traffic in the last couple of years that has kept the state's total number of visitors from falling even more drastically than it has. Eastbound travelers account for 23 percent of the state's total visitor count, with the Japanese segment alone accounting for 15 percent. At present the Japanese and other eastbound travelers spend practically all their nights on Oahu, with those who take Neighbor Island trips generally making the trip a one-day excursion, most frequently to Kauai.

Since the Japanese and eastbound visitors have a short length of stay, the only way that the Big Island will ever tap the market in any significant way is to have direct flights. One foreign airline has already indicated that it would put direct charter flights into Ke-ahole if the airport could accommodate them.

Since it will undoubtedly be a number of years at best before the Ke-ahole runways can be extended to take intercontinental jets, it is certainly not too early to start planning this expansion now.

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business activity - hawaii

series	unit	period	number	percent change: from preceding period	percent change: year ago
TOURISM					
OVERNIGHT OR LONGER VISITORS	number	July	351,643p	2.1	−10.4
	number	Jan.-July	2,277,836p	.....	−2.7
Westbound	number	July	271,266p	2.4	−15.1
	number	Jan.-July	1,733,656p	.....	−5.4
Eastbound	number	July	80,377p	1.3	10.3
	number	Jan.-July	544,180p	.....	7.1
AVERAGE DAILY VISITOR CENSUS[1]	number	July	96,437p	12.8	−13.5
AVERAGE LENGTH OF STAY[1]	no. of days	July	11.0	13.4	0.9
MEETINGS ATTENDANCE	number	June	10,392	−22.4	−20.4
ORGANIZED GROUP TOURS	number	July	54,959p	−2.5	−21.1
NEIGHBOR ISLAND VISITORS[1]					
Maui	number	July	117,600p	−0.6	−17.9
	number	Jan.-July	796,805p	.....	−4.3
Hawaii	number	July	59,448p	0.8	−27.6
	number	Jan.-July	379,465p	.....	−19.9
Kauai	number	July	68,398p	1.4	−22.5
	number	Jan.-July	428,331p	.....	−9.8
VISITOR ACCOMMODATIONS					
STATE	number	June 1981	56,502	−0.5	1.7
Oahu	number	June 1981	33,566	−1.2	−2.4
Waikiki	number	June 1981	29,101	−1.3	−4.6
Maui (includes 11 on Lanai)	number	June 1981	10,706	−0.2	7.9
Molokai	number	June 1981	539	−15.1	−3.2
Hawaii	number	June 1981	6,859	2.3	9.6
Kauai	number	June 1981	4,832	2.0	9.0
HOTEL OCCUPANCY					
STATE	percent	July	64.8	0.3	1.3
Oahu	percent	July	73.3	−4.2	5.8
Maui	percent	July	57.2	6.5	−0.5
Hawaii	percent	July	50.5	17.7	1.0
Kauai	percent	July	63.9	−0.2	−10.5
DEFENSE EXPENDITURES					
APPROPRIATED FUNDS TOTAL*	mil. $	2nd Qtr. 1981	345.3	.....	6.5
Military Payroll	mil. $	2nd Qtr. 1981	147.6	.....	11.7
Civilian Payroll	mil. $	2nd Qtr. 1981	106.1	.....	11.5
Local Purchases	mil. $	2nd Qtr. 1981	91.6	.....	−5.5
SUGAR					
SUGAR PRODUCTION	thous. tons	Jan. 1-Aug. 31	742.1	.....	12.5
N. Y. RAW SUGAR PRICE	$/ton	August	349.50	−8.2	−47.1
PINEAPPLE SHIPMENTS					
CANNED[2]	thous. $	Jan.-Nov. 1980	178.3	.....	13.9
FRESH	thous. lbs.	Jan.-July	145,150	.....	18.3
HONOLULU PRICES					
HONOLULU CONSUMER PRICE INDEX					
Urban Wage Earners and Clerical Workers (Revised). All items	1967=100	June	253.8	1.4[3]	11.3
All Urban Consumers. All items	1967=100	June	252.8	1.1[3]	11.1
PUBLIC UTILITIES					
ELECTRICITY GENERATED	mil. KWH	July	585.1	4.1	0.9
GAS SALES	thous. therms	July	3,882	−7.1	−8.2
TELEPHONES IN SERVICE	thous.	July	720.2	0.1	3.0

p = *preliminary.*
[1] *Estimated Westbound.*
[2] *Gross taxable income valued at time of shipment.*
[3] *Compared to April, 1981.*
* *Not comparable to previous quarter. 1st Quarter total does not include Coast Guard expenditures.*

Employment

Reflective of the weak visitor market, hotel employment declined or was flat in all counties during July except for Hawaii County where it advanced 10.9%. The overall gain of 300 in hotel jobs on the Big Island resulted from the opening July 6 of the new Sheraton Royal Waikoloa Hotel on the South Kohala Coast.

Along with Washington's moves to strengthen the U.S. defense position which got underway before the close of the Carter Administration, the decline in Hawaii federal defense employment has been arrested. From a peak of 23,500 in 1969, the number of civilian defense jobs fell by more than 20% over the next decade, reaching a low of 18,400 in September, 1980. The count has risen steadily since then, by more than 1,000 to 19,600 in July of this year.

The increase in July of 4,300 County jobs and the loss of 3,200 State jobs reflects the switchover of property tax collection and assessment functions from the State to the Counties, county hirings for the summer youth program, and separations at the state level in the Department of Education.

Pineapple jobs increased by 2,200 in July as the industry moved into its peak harvest season. Sugar experienced an upswing of 400, and other agriculture increased by 600. The other notable gainer was construction where 500 jobs were added. Retail trade, which generally suffers when tourism suffers, lost 150 jobs.

In total, there was a net gain of 5,800 jobs in July, which, together with an increase of only 2,400 in the total labor force, held the unemployment rate down. There was a

business activity - hawaii [cont.]

series	unit	period	number	percent change: from preceding period	percent change: year ago
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE	mil. $	Nov. 1980	135.6	24.4	16.5
	mil. $	Jan.-Nov. 1980	1,453.5	.....	18.6
PRIVATE PERMITS AUTHORIZED					
RESIDENTIAL					
STATE	thous. $	Jan.-April	251,989	.....	53.9
C&C of Honolulu	thous. $	Jan.-July	192,656	.....	29.1
Maui County	thous. $	Jan.-April	61,712	.....	25.2
Hawaii County	thous. $	Jan.-July	47,423	.....	−17.2
Kauai County	thous. $	Jan.-July	28,335	.....	−3.0
SINGLE FAMILY UNITS					
STATE	number	Jan.-April	957	.....	−34.5
C&C of Honolulu	number	Jan.-July	488	.....	−48.5
Maui County	number	Jan.-April	165	.....	−40.4
Hawaii County	number	Jan.-July	643	.....	−14.8
Kauai County	number	Jan.-July	216	.....	2.9
MULTIPLE FAMILY UNITS					
STATE	number	Jan.-April	2,321	.....	65.2
C&C of Honolulu	number	Jan.-July	1,807	.....	32.7
Maui County	number	Jan.-April	559	.....	4.3
Hawaii County	number	Jan.-July	162	.....	−59.8
Kauai County	number	Jan.-July	118	.....	−52.0
NONRESIDENTIAL					
STATE	thous. $	Jan.-April	135,401	.....	4.9
C&C of Honolulu	thous. $	Jan.-July	118,873	.....	−22.9
Maui County	thous. $	Jan.-April	9,051	.....	29.8
Hawaii County	thous. $	Jan.-July	49,345	.....	70.6
Kauai County	thous. $	Jan.-July	13,583	.....	−20.9
PUBLIC CONTRACTS AWARDED					
TOTAL GOVERNMENT PROJECTS	thous. $	Jan.-Aug.	238,015	.....	68.0
BY LEVEL OF GOVERNMENT					
FEDERAL	thous. $	Jan.-Aug.	52,399	.....	63.5
STATE	thous. $	Jan.-Aug.	130,754	.....	72.4
COUNTY	thous. $	Jan.-Aug.	54,861	.....	62.6
BY LOCATION OF PROJECT					
C&C of Honolulu	thous. $	Jan.-Aug.	203,095	.....	93.6
Maui County	thous. $	Jan.-Aug.	5,776	.....	−46.5
Hawaii County	thous. $	Jan.-Aug.	15,002	.....	−30.0
Kauai County	thous. $	Jan.-Aug.	14,142	.....	212.6
HONOLULU CONSTRUCTION COST INDEXES					
SINGLE FAMILY	1967=100	August	290.7	.....	3.0
HIGH-RISE	1967=100	August	307.0	.....	5.5
BUSINESS SALES					
GROSS BUSINESS RECEIPTS	mil. $	November 1980	1,622.6	12.9	21.0
	mil. $	Jan.-Nov. 1980	17,560.9	.....	11.2
DIVERSIFIED MANUFACTURING	mil. $	November 1980	48.8	17.9	27.2
	mil. $	Jan.-Nov. 1980	576.7	.....	10.0
DIVERSIFIED AGRICULTURE	mil. $	November 1980	9.4	−43.0	7.9
	mil. $	Jan.-Nov. 1980	126.8	.....	−9.0
RETAILING	mil. $	November 1980	560.2	14.0	23.3
	mil. $	Jan.-Nov. 1980	5,902.1	.....	12.0
WHOLESALING	mil. $	November 1980	444.0	19.4	5.6
	mil. $	Jan.-Nov. 1980	4,364.8	.....	−2.6
SERVICES	mil. $	November 1980	283.7	9.4	23.7
	mil. $	Jan.-Nov. 1980	3,478.3	.....	15.8
OAHU NEW CAR AND PASSENGER TRUCK SALES	number	June	3,135	36.1	24.0

finance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
BANKING					
TOTAL BANK DEPOSITS					
STATE	mil. $	July 31	4,393.2	0.2	6.2
Honolulu County	mil. $	July 31	3,601.6	0.3	5.7
Maui County	mil. $	July 31	279.8	−1.3	6.7
Hawaii County	mil. $	July 31	346.1	−2.0	5.8
Kauai County	mil. $	July 31	165.7	4.5	18.8
BANK DEMAND DEPOSITS					
STATE	mil. $	July 31	1,116.6	−2.6	−10.0
Honolulu County	mil. $	July 31	943.0	−2.3	−9.5
Maui County	mil. $	July 31	69.9	−2.1	−11.3
Hawaii County	mil. $	July 31	74.0	−5.7	−15.3
Kauai County	mil. $	July 31	29.7	−6.6	−10.8
DEBITS TO DEMAND DEPOSITS					
STATE	mil. $	July	7,748.6	1.3	12.7
Honolulu County	mil. $	July	7,148.7	1.2	13.7
Maui County	mil. $	July	252.8	4.4	3.1
Hawaii County	mil. $	July	247.3	−1.7	0.3
Kauai County	mil. $	July	99.9	6.2	6.5
TURNOVER OF DEMAND DEPOSITS					
STATE	annual rate	July	82.17	0.0	27.6
Honolulu County	annual rate	July	89.92	−0.3	28.2
Maui County	annual rate	July	42.96	3.3	21.7
Hawaii County	annual rate	July	38.93	0.2	16.1
Kauai County	annual rate	July	39.01	5.1	16.4
TAX COLLECTIONS					
TAX COLLECTIONS—STATE	thous. $	July	97,381	−7.0	14.0
	thous. $	Jan.-July	802,365	.....	6.7
Honolulu County	thous. $	July	85,649	−8.6	16.8
	thous. $	Jan.-July	694,157	.....	7.1
Maui County	thous. $	July	3,546	−25.0	−24.8
	thous. $	Jan.-July	41,896	.....	5.5
Hawaii County	thous. $	July	6,204	65.7	25.8
	thous. $	Jan.-July	46,218	.....	4.5
Kauai County	thous. $	July	1,981	−21.5	−19.9
	thous. $	Jan.-July	20,094	.....	3.6

employment and unemployment-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
EMPLOYMENT IN STATE AND COUNTIES (number of persons)					
STATE					
Civilian Labor Force	thous.	July	415.3p	0.6	1.9
Employment	thous.	July	392.7p	1.4	1.5
Unemployment	thous.	July	22.6p	−12.0	10.0
Unemployment Rate	percent	July	5.5p	−11.3	7.8
C & C OF HONOLULU					
Civilian Labor Force	thous.	July	324.7p	0.4	2.1
Employment	thous.	July	308.4p	1.2	1.9
Unemployment	thous.	July	16.3p	−13.1	5.5
Unemployment Rate	percent	July	5.0p	−13.8	4.2
MAUI COUNTY					
Civilian Labor Force	thous.	July	35.2p	0.4	−0.6
Employment	thous.	July	33.1p	1.4	−1.6
Unemployment	thous.	July	2.1p	−10.6	16.7
Unemployment Rate	percent	July	6.0p	−10.4	20.0
HAWAII COUNTY					
Civilian Labor Force	thous.	July	37.5p	2.7	5.0
Employment	thous.	July	34.5p	4.1	4.1
Unemployment	thous.	July	3.0p	−11.8	17.6
Unemployment Rate	percent	July	8.1p	−12.9	12.5
KAUAI COUNTY					
Civilian Labor Force	thous.	July	17.8p	−0.3	−1.7
Employment	thous.	July	16.6p	0.0	−3.8
Unemployment	thous.	July	1.2p	−3.8	47.1
Unemployment Rate	percent	July	6.9p	−1.4	46.8
JOB COUNT BY INDUSTRY					
TOTAL JOBS-STATE	thous.	July	451.2p	1.3	−0.4
SUGAR (mill and field)	thous.	July	9.4p	4.4	6.2
PINEAPPLE (canning and field)	thous.	July	9.5p	30.3	−12.9
DIVERSIFIED MANUFACTURING (excluding sugar and pineapple)	thous.	July	16.0p	−0.6	2.2
Durable Goods	thous.	July	4.2p	−2.3	−1.2
Non Durable Goods	thous.	July	11.7p	0.0	3.5
Apparel and Textiles	thous.	July	3.0p	0.0	3.4
DIVERSIFIED AGRICULTURE (excluding sugar and pineapple but including agricultural self-employed)	thous.	July	8.5p	7.6	16.4
CONTRACT CONSTRUCTION	thous.	July	24.5p	2.3	−1.8
TRANSPORTATION	thous.	July	20.8p	0.0	−2.1
COMMUNICATION	thous.	July	7.3p	−0.7	1.4
UTILITIES	thous.	July	2.7p	0.0	0.0
RETAIL TRADE	thous.	July	85.8p	−0.2	−0.7
WHOLESALE TRADE	thous.	July	17.8p	0.3	−4.3
FINANCE, INSURANCE AND REAL ESTATE	thous.	July	34.8p	0.0	2.8
HOTEL SERVICES-STATE	thous.	July	23.4p	−0.2	−4.5
Honolulu County	thous.	July	14.1p	−1.7	−5.7
Maui County	thous.	July	4.7p	−2.1	−1.1
Hawaii County	thous.	July	3.1p	10.9	−3.2
Kauai County	thous.	July	1.5p	0.0	−8.8
OTHER SERVICES	thous.	July	75.7p	0.2	1.9
FEDERAL GOVERNMENT	thous.	July	30.5p	0.7	0.0
Civilian Agencies	thous.	July	11.0p	0.0	−6.0
Defense Department	thous.	July	19.5p	1.0	3.7
STATE GOVERNMENT	thous.	July	42.1p	−7.1	−0.1
COUNTY GOVERNMENT	thous.	July	16.8p	34.9	−4.3
HOURS AND EARNINGS BY INDUSTRY					
CONTRACT CONSTRUCTION					
Average Hourly Earnings	dollars	July	12.91p	−0.1	10.9
Average Weekly Hours	hours	July	38.3p	23.9	−1.5
MANUFACTURING					
Average Hourly Earnings	dollars	July	7.20p	−1.5	11.5
Average Weekly Hours	hours	July	36.8p	−2.1	−1.1
COMMUNICATION AND UTILITIES					
Average Hourly Earnings	dollars	July	10.15p	−0.2	8.8
Average Weekly Hours	hours	July	43.5p	0.5	−2.2
TRADE					
Average Hourly Earnings	dollars	July	6.01p	−1.2	7.3
Average Weekly Hours	hours	July	33.5p	0.0	−0.3
FINANCE					
Average Weekly Earnings	dollars	July	206.22p	0.7	12.8
HOTELS					
Average Hourly Earnings	dollars	July	6.10p	−0.3	7.4
Average Weekly Hours	hours	July	32.3p	0.9	6.6
HIRED FARM WORKERS[1]					
Average Hourly Earnings	dollars	April 12-18	6.00	2.6	5.3
Average Weekly Hours	hours	April 12-18	38.7	−0.3	−0.5

p = *preliminary.*
[1] *The hours and earnings for hired farm workers is based on a survey taken once every January, April, July, and October.*

12% drop in the number of unemployed and a drop from 6.2% to 5.5% in the rate of unemployment.

Banking

The reason for the large increase in bank turnover rates relative to last year is because of interest-bearing checking accounts that banks began offering in 1981. The turnover rate is designed to reflect the velocity of money moving through checking accounts and relates debits (checks) to demand (checking account) deposits. The problem is that the debit figures include both checks written on regular and interest-bearing accounts, whereas the demand deposit figures reflect only deposits contained in regular checking accounts. Money in interest-bearing checking accounts shows up as time deposits. Because of this method of classifying interest-bearing checking deposits, the turnover figures are essentially meaningless. The authority granted banks to offer interest-bearing checking accounts has resulted in a dramatic drop in demand deposit balances. At the end of July, demand deposit balances in Hawaii banks averaged 10% lower than one year earlier.

Personal Income

Good news! The U.S. Department of Commerce revised upward the 1980 estimate of total personal income (TPI) for Hawaii. Instead of increasing 11.9% as was first reported, it increased 12.7%. When deflated by the Honolulu CPI that translates into close to 1% real growth as opposed to essentially no growth as was reflected by the earlier estimate. The bigger increase placed us 13th instead of 16th in the overall state rankings

public assistance-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
UNEMPLOYMENT INSURANCE CLAIMS AND PAYMENTS					
INSURED UNEMPLOYMENT (weekly average)		July	11,755	−10.2	7.3
INTRASTATE INITIAL CLAIMS		July	6,274	−7.4	7.6
INTERSTATE INITIAL CLAIMS		July	436	25.3	2.3
UNEMPLOYMENT INSURANCE BENEFITS		July	5,444	−7.9	31.4
PUBLIC ASSISTANCE					
RECIPIENTS[1]					
Income Maintenance		July	72,487	0.4	2.5
Services		2nd Qtr. 1981	12,505	−2.5	−3.0
Medical		July	51,914	0.2	13.3
Food Stamps		June	104,697	0	0
PAYMENTS					
Income Maintenance		July	9,751	1.6	4.3
Services		2nd Qtr. 1981	5,555	8.2	26.6
Medical		July	12,570	14.3	66.6
Food Stamps		June	6,073	0.5	18.5

[1] *Count of recipients is duplicated. A person may be counted in each category.*

population, personal income-hawaii

series	unit	period	number	percent change from preceding period	percent change year ago
POPULATION					
DE FACTO—STATE	number	July 1, 1980	1,059,900p	.....	2.0
TOTAL RESIDENT—STATE	number	July 1, 1980	973,000p	.....	2.4
C & C of Honolulu	number	July 1, 1980	768,000p	.....	1.9
Maui County	number	July 1, 1980	71,800p	.....	4.2
Hawaii County	number	July 1, 1980	93,700p	.....	5.3
Kauai County	number	July 1, 1980	39,500p	.....	3.7
CIVILIAN RESIDENT—STATE	number	July 1, 1980	912,000p	.....	2.2
MILITARY PERSONNEL—STATE	number	April 1, 1980	61,019	.....	5.4*
Ashore	number	April 1, 1980	48,813	.....	8.7*
Afloat	number	April 1, 1980	12,206	.....	−5.8*
CIVILIAN DEPENDENTS OF MILITARY	number	April 1, 1980	64,023	.....	−0.8*
FOREIGN IMMIGRATION[1]	number	12 mo. total ending August 1981	6,840	.....	18.6
PERSONAL INCOME					
TOTAL PERSONAL INCOME**	mil. $	1st Qtr. 1981	10,057	2.1	11.4
Employment Income[2]	mil. $	1st Qtr. 1981	7,699	1.9	9.4
Manufacturing	mil. $	1st Qtr. 1981	462	3.8	19.1
Construction & Mining	mil. $	1st Qtr. 1981	652	6.0	16.4
Wholesale	mil. $	1st Qtr. 1981	334	0.6	3.1
Retail	mil. $	1st Qtr. 1981	903	3.3	6.2
Finance, Ins. & Real Estate	mil. $	1st Qtr. 1981	643	2.9	17.6
Trans., Comm. & Util.	mil. $	1st Qtr. 1981	746	1.1	5.8
Services	mil. $	1st Qtr. 1981	1,517	2.1	7.9
Farm & Other	mil. $	1st Qtr. 1981	248	−1.6	1.6
Federal Civilian	mil. $	1st Qtr. 1981	667	2.1	11.2
Federal Military	mil. $	1st Qtr. 1981	687	−3.1	11.0
State & Local	mil. $	1st Qtr. 1981	839	1.2	5.5
Property Income (Dividends, Interest, Rent)	mil. $	1st Qtr. 1981	1,506	5.8	16.7
Transfer Payments (T. Ret. Income, Personal Contributions, Ins. Adj.)	mil. $	1st Qtr. 1981	851	−1.8	22.1
PER CAPITA PERSONAL INCOME					
STATE PER CAPITA	dollars	1980	10,101 r	.....	10.6
PER CAPITA BY COUNTY					
C & C of Honolulu	dollars	1979	9,573	.....	9.5
Maui County	dollars	1979	8,399	.....	10.3
Hawaii County	dollars	1979	7,760	.....	8.7
Kauai County	dollars	1979	7,762	.....	8.6

p = *preliminary*
r = *revised*
* *Compared to July 1, 1979.*
** *Total personal income and all components are seasonally adjusted at annual rates.*
[1] *These immigration statistics include only those entering Honolulu ports and do not include status changes.*
[2] *Includes wage and salary disbursements, proprietors' income, and other labor income.*

u. s. economic indicators

series	unit	period	number	percent change from preceding period	percent change year ago
GENERAL BUSINESS INDICATORS					
COMPOSITE INDEX OF 12 LEADING INDICATORS*	1967=100	July	133.7p	−0.1	4.4
GROSS NATIONAL PRODUCT**					
In Current Dollars	bil. $	2nd Qtr. 1981	2,881.6p	1.0	12.4
In 1972 Dollars	bil. $	2nd Qtr. 1981	1,507.4p	−0.6	3.0
PERSONAL INCOME**	bil. $	July	2,421.7p	1.6	12.1
RETAIL SALES*	mil. $	July	88,032p	1.3	10.7
INDUSTRIAL PRODUCTION*	1967=100	July	153.4p	0.3	9.3
BANKING AND CREDIT					
DEBITS TO DEMAND DEPOSITS**	bil. $	June	46,482.8	2.9	25.6
TURNOVER OF DEMAND DEPOSITS**	annual rate	June	185.8	5.4	37.9
BANK LOANS*	bil. $	July	951.6	0.5	11.0
AVERAGE PRIME RATE CHARGED BY BANKS	percent	August	20.50	0.5	84.4
CONSUMER INSTALLMENT DEBT*	mil. $	June	318,054	0.6	5.0
CONSTRUCTION					
CONSTRUCTION PUT IN PLACE**	bil. $	June	236.2p	−1.5	8.1
CONSTRUCTION COST INDEXES					
Residences	1967=100	May	199.5	2.4[1]	7.8
Apts, Hotel, Office Bldgs	1967=100	May	201.2	2.1[1]	9.9
EMPLOYMENT					
CIVILIAN EMPLOYMENT*	thous.	July	98,962	0.6	2.0
UNEMPLOYMENT*	thous.	July	7,502	−3.6	−6.5
UNEMPLOYMENT RATE*	percent	July	7.0	−4.1	−7.9
PRICES					
CONSUMER PRICE INDEX (All Items)					
Urban Wage Earners and Clerical Workers (Revised)	1967=100	July	274.6	1.1	10.7
All Urban Consumers	1967=100	July	274.4	1.2	10.7
PRODUCER PRICE INDEXES					
Finished Goods*	1967=100	July	271.0	0.4	8.8
All Commodities	1967=100	July	296.0	0.5	9.5

p = *preliminary.*
[1] *Compared to March 1981.*
* *Seasonally adjusted.*
** *Seasonally adjusted annual rate.*

and lifted our per capita figure to 6% above, rather than 3% above the U.S. average as first reported.

However, based on preliminary figures for the first quarter of 1981, Hawaii's performance relative to the other 49 was not quite so good. Our 2.1% TPI gain over last year's fourth quarter was third from the bottom. Nationally, the increase averaged 2.9%. But because of better than average performances in the last half of last year, Hawaii's first quarter 1981 figure came in 11.4% above the year earlier figure, ahead of the 11.1% U.S. average.

The weakness in employment income (wage and salary disbursements and proprietors income) came from several sectors — farming, transportation and utilities, wholesaling, services, and government. Construction, manufacturing, retailing and the finance, insurance, and real estate industries all recorded good gains. Property income (dividends, interest and rent) was also strong.

Construction Costs

Materials prices continued soft in August reflecting the weak construction picture, especially nationally. Both Honolulu indexes - for single family and for high-rise construction - declined in August. On the average, material prices are at or below what they were at this time last year. The overall increase in construction costs has been contained to 5.5% for high rise and 3.0% for single family construction over the past twelve months. It's been more than a decade since construction costs in Honolulu have risen so slowly.

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